

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON MAY 25, 2022 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN LAMBERT BOISSIERE, III, COMMISSIONER CRAIG GREENE, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER MIKE FRANCIS AND COMMISSIONER ERIC SKRMETTA.**

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**  
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON MAY 25, 2022**  
3 **IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**  
4 **LAMBERT BOISSIERE, III, COMMISSIONER CRAIG GREENE,**  
5 **COMMISSIONER FOSTER CAMPBELL, COMMISSIONER MIKE**  
6 **FRANCIS AND COMMISSIONER ERIC SKRMETTA.**

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7 **CHAIRMAN LAMBERT BOISSIERE:** Good morning. This morning, I'd like  
8 to ask everybody to stand so we can begin the meeting with a prayer. Leading us  
9 in the prayer, Commissioner Mike Francis.

10 **[COMMISSIONER MIKE FRANCIS LEADS IN PRAYER]**

11 **COMMISSIONER CRAIG GREENE:** I'd like to introduce from Healing Place,  
12 also here to give a prayer. Two prayers. This group needs two today.

13 **COMMISSIONER FRANCIS:** Double.

14 **COMMISSIONER GREENE:** Introduce yourself.

15 **PASTOR CARTER LEBLANC:** Okay. Hey, everybody. I'm Pastor Carter  
16 LeBlanc from Healing Place Church, and thank you so much to Dr. Craig Greene  
17 for allowing me to pray today. And I just had a quick scripture for you and a two  
18 to three hour sermon. Preacher joke. All right. So Matthew 6:33 says, "Seek first  
19 the kingdom of God and His righteousness and He'll add all these things unto you."  
20 And so that's what we all need to do here as business leaders, as government  
21 leaders, as church leaders is to seek God first. I'm bad about seeking God first  
22 because I normally seek coffee first, right. So in the morning, it's coffee then Jesus.

1 But I'm going to open us in prayer today and thank you so much for everything you  
2 do for the community.

3 **[PASTOR CARTER LEBLANC LEADS IN PRAYER]**

4 **CHAIRMAN BOISSIERE:** Thank you. And for the pledge, it is my pleasure to  
5 introduce Constable of Baton Rouge City Court, Ms. Terrica William.

6 **CONSTABLE TERRICA WILLIAMS:** Good morning. Before I get started, I  
7 would have to thank for the board for the invite and opportunity to stand in front of  
8 such a great group of men and women. I also want to welcome you all here because  
9 I know y'all came from several different areas. So welcome to Baton Rouge.  
10 Welcome here and thank y'all for what y'all do for our community and our area.  
11 We'll get started with our Pledge of Allegiance.

12 **[CONSTABLE TERRICA WILLIAMS LEADS IN THE PLEDGE]**

13 **CONSTABLE WILLIAMS:** Thank you. Y'all may be seated.

14 **CHAIRMAN BOISSIERE:** Thank you, Constable. Well, before we get started,  
15 I see we have some special guests here today, some elected officials, and people we  
16 all very familiar with in this industry and in leadership in Louisiana. First of all, I  
17 see Jay Blossman, our former Commissioner here today. Jay, you want to see --  
18 everybody knows Jay. He came to grace us with his presence today and give us a  
19 little leadership. He used to sit up here and run this show, I remember many times.  
20 In addition to that, I see we have another elected official here from New Orleans,  
21 our At-Large City Council Member, Ms. Helena Moreno, former state  
22 representative as well. I want to thank y'all for joining us here today. All right. At  
23 this point, Brandon, I'll give it over to our Secretary.

1 **EXECUTIVE SECRETARY BRANDON FREY:** Good morning,  
2 Commissioners. I'll let Ms. Bowman read the agenda. We do have a few  
3 announcements to make. First, I'll do a couple and then she's got some. As we let  
4 y'all know on the pre B&E call, we had rescheduled the June B&E for the 17<sup>th</sup>.  
5 That has been declared the Juneteenth holiday, so we're going to revert back to the  
6 originally scheduled date, which is June 22<sup>nd</sup> for the B&E in June. That will be  
7 here in Baton Rouge, so June 22<sup>nd</sup>. And I believe that's the only announcement I  
8 have. Kathryn's got a couple.

9 **MS. KATHRYN BOWMAN:** Yes. Staff has a couple of announcements. First,  
10 we do have 13 agenda items today and will be taking one item out of order, which  
11 is under Exhibit Number 10, the discussion with Mr. Denault and that's at the  
12 request of Commissioner Campbell and Chairman Boissiere. And then we have a  
13 staff announcement. There's been two internal promotions since the last B&E. One  
14 is our IT Director Brent LeBlanc retired and Bill Foster took his place. Bill is --  
15 has been with the Commission for a while and he's actually the one that revamped  
16 our website. So if you like it, you can thank Bill for that. And then Ms. Evans,  
17 Lauren, was promoted to Deputy General Counsel, and so she's going to take the  
18 place of Melissa who went down to be one of our ALJs. I don't know if any of the  
19 Commissioners have any announcements.

20 **CHAIRMAN BOISSIERE:** Commissioner Skrmetta.

21 **COMMISSIONER ERIC SKRMETTA:** Yeah. I just want to bring to the  
22 Commission's attention that --

23 **MS. BOWMAN:** His mic, I don't think is on.

1 **CHAIRMAN BOISSIERE:** Hold up, hold up. Let me make sure you're turned  
2 on here.

3 **COMMISSIONER SKRMETTA:** Got it that time? Yeah. Okay. I wanted to  
4 bring to the Commission's attention that in November the National Association of  
5 Regulatory Commissioners is having its national meeting in New Orleans and ask  
6 that the Staff and the Commission work together to schedule our November  
7 meeting in the New Orleans area. I've located -- where we had it before in Metairie  
8 is offering to host us again for free, but that would put us all in the sphere of what's  
9 going to be happening down in the area during the NARUC meeting that week. I  
10 anticipate that NARUC's board meeting will be that Wednesday of that week so if  
11 we could look to do it on the Tuesday. And that way if we wanted to, we could all  
12 be engaged with what's going on down at NARUC during that time. And on a point  
13 of personal note, glad to announce that my daughter has graduated from college  
14 and at the same time announced to me that she's going back to school. So someone  
15 told me today that I can work till I'm 90 and I'm in good shape. So anyway, but  
16 she will be attending law school in the fall, so anyway. Thank you very much.

17 **CHAIRMAN BOISSIERE:** All right. Excellent. Are we ready?

18 **SECRETARY FREY:** Yeah. That's all the announcements we have.

19 **MS. BOWMAN:** Okay. If there's no more announcements, we'll move to Exhibit  
20 Number 10 and ask Mr. Denault to come up, please.

21 **CHAIRMAN BOISSIERE:** Okay. At this time, we're asking Chairman of  
22 Entergy and the regulatory staff of Entergy to join us, Phillip May, Mark  
23 Kleehammer.

1 **MS. BOWMAN:** I just ask if you -- excuse me -- introduce yourselves before  
2 speaking and if you'll fill out a yellow card just whenever you're done, please. Oh,  
3 perfect. Thank you.

4 **CHAIRMAN BOISSIERE:** I just want to be clear as Chairman because of this  
5 first item we're doing today is why we started with two prayers this morning so a  
6 little special intentions involved. At this moment, I ask -- everybody ready? Hold  
7 on.

8 **MR. PHILLIP MAY:** I could just do a quick introduction. I'm Phillip May,  
9 President and CEO of Entergy Louisiana. With me today Mark Kleehammer, Vice  
10 President of Regulatory Affairs, and Leo Denault, who is Chairman and Chief  
11 Executive Officer for Entergy Corporation.

12 **CHAIRMAN BOISSIERE:** All right. Well, let's get right to it. I want to thank  
13 you for coming here. Thank you for coming before the Commission at our public  
14 meeting. I think we have a packed house. We're interested in things that we will  
15 discuss here today, things that the Commission wants to hear, things that Entergy  
16 wants to say and respond to. At this moment, I'll turn the meeting over to  
17 Commissioner Campbell.

18 **COMMISSIONER FOSTER CAMPBELL:** First of all, I want to thank you for  
19 coming. We work with you. Our Staff wanted you to come two months earlier and  
20 you couldn't, you were in a meeting, we understood. Last month we were meeting  
21 in Many and that would be a bigger problem, so it's better today that we're in Baton  
22 Rouge where everybody can hear what we want to say. First of all, I want to -- you  
23 might think -- I want to pay some compliments to Entergy on two people, these

1 guys you got to the right and to the left of you. They're gentleman. I don't always  
2 agree with everything y'all do. They've never been rude. They've never been  
3 disrespectful. They always put your company first, and they're not unreasonable.  
4 I've voted against a lot of times and a lot of times I helped you, but you got two  
5 good folks here. You had one lady who's my champion. She works for you.  
6 What's her name, Phillip?

7 **MR. MAY:** Heather LeBlanc.

8 **COMMISSIONER CAMPBELL:** What?

9 **MR. MAY:** Heather LeBlanc.

10 **COMMISSIONER CAMPBELL:** Well, Ms. LeBlanc found out we were putting  
11 light bulbs in to make real colloquial term, we was redoing a lot with LED lights,  
12 and we were presented with a bill. And she told Mark that this bill is way, way too  
13 high. So you ought to give her a trophy or a raise. She saved thousands of dollars  
14 for consumers in Louisiana. We took that advice from this lady that works for y'all,  
15 and we looked what she was saying. She was absolutely right, and we cut these  
16 bills considerably, sometimes 30 and 40 percent. She's the one who brought it up  
17 and said this is way out of line, these lights shouldn't be costing this much. So  
18 whenever you see her, you tell her that I appreciate it and the people appreciate it  
19 because she saved thousands of dollars to consumers on these LED lights. We're  
20 using them now, and they use less electricity. You might not like that, but they are  
21 pretty and they're brighter and they're the future. I want to talk to you a little bit  
22 about your company. And let me just say this. I want everybody in this room to  
23 hear this. I'm not picking on Entergy. I'm picking on no one today. I am -- as

1 Senator Rayborn used to say, I'm seeking information. Senator Rayborn was in the  
2 senate with me for a long time. He's from Bogalusa. But anyway, before -- I asked  
3 Mr. Boissiere today and I asked Brandon Frey -- I want you to hear Mr. Secretary.  
4 I want this to be a precedent. I want SWEPCO to come. I want Cleco to come.  
5 And I'm not talking about just somebody from SWEPCO. I'm talking about Nick  
6 Akins, the head guy from Bossier City where I'm from. He needs to come. Head  
7 guy at Cleco, CenterPoint, and Atmos. Everybody needs to come up here. We  
8 haven't done this in a long, long time. When's the last time you've been here, Mr.  
9 Denault?

10 **MR. LEO DENAULT:** I've never been here.

11 **COMMISSIONER CAMPBELL:** You never --

12 **MR. DENAULT:** Obviously, I've met with all of you on a regular basis.

13 **COMMISSIONER CAMPBELL:** I understand.

14 **MR. DENAULT:** When we had the opportunity before COVID.

15 **COMMISSIONER CAMPBELL:** I understand. But that can't ever happen  
16 again. Our job is to grade y'all's papers. And the only way we can grade your  
17 paper is to ask you questions, and they can't always be softball questions. They've  
18 got to be -- you know, we need to do the research and find out what's going on and  
19 how your company's running and if you're really doing the best job you can do for  
20 ratepayers. So after I said that now, talk about what a good fellow you are, I want  
21 to ask you some other questions, okay. Let me ask you something about the  
22 profitability of your company. Is the profit from 2019 to 2020, did your profits go  
23 up 11 percent?

1 **MR. DENAULT:** I don't know the exact number. I don't think earnings per share  
2 went up -- probably cumulatively over that time, yes, it sounds about right.

3 **COMMISSIONER CAMPBELL:** From 1 billion to 1.4 billion in 2020. Does  
4 that sound about right?

5 **MR. DENAULT:** Sounds about right, yes.

6 **COMMISSIONER CAMPBELL:** So y'all made a billion dollars and it went up  
7 to 1.4 billion, right?

8 **MR. DENAULT:** Yeah.

9 **COMMISSIONER CAMPBELL:** Okay. Let me ask you something else, too.  
10 Dividends, my records here show that in '19, you paid 1 billion in dividends; in  
11 2020, you paid \$1.4 billion in dividends; in 2021, you paid 1.2 billion in dividends.  
12 So it's about \$3 billion there in three years -- \$3.6 billion you paid out to your  
13 stockholders. Would that be correct?

14 **MR. DENAULT:** Sounds a little high but it's in the ballpark.

15 **COMMISSIONER CAMPBELL:** Well, it's 3 billion or 3.2 but at least 3 billion?

16 **MR. DENAULT:** Probably closer to 2.2.

17 **COMMISSIONER CAMPBELL:** Yeah, well, that's not -- but any -- I'm not  
18 going to argue with you. I'm just telling you that's what I got. Also, did your  
19 compensation -- I'm not just talking about your salary -- did your total  
20 compensation go up from 16.2 to 17.2 billion -- million?

21 **MR. DENAULT:** In that range, yes.

22 **COMMISSIONER CAMPBELL:** Yeah. Well, I mean, that's pretty specific,  
23 \$17.2 million a year.

1 **MR. DENAULT:** Yes.

2 **COMMISSIONER CAMPBELL:** Did you ever figure out how much that is an  
3 hour?

4 **MR. DENAULT:** I have not, no.

5 **COMMISSIONER CAMPBELL:** Well, it's staggering, \$7,000, \$8,000 an hour.  
6 You know, I -- I -- you know, look, I -- I don't mean to be disrespectful, but I don't  
7 know that I've ever talked anybody that makes \$17 million a year. That's just a  
8 lots and lots of money. Especially -- did you get this little printout here?

9 **MR. DENAULT:** Yes.

10 **COMMISSIONER CAMPBELL:** Everybody got this in the audience? I sent  
11 that to you. It's probably -- like they say in the country, the proof's in the pudding  
12 here. Poverty, we're second in the United States. Child poverty, second highest.  
13 Income, fourth from the lowest. Income inequality, fourth from the highest. The  
14 average for four people household median income remain among the lowest in the  
15 nation though it rose slightly to 51,000 from 48,000. You know, this is absolutely  
16 crazy to me, Mr. Denault, absolutely nuts. How in the world can Louisiana have  
17 all the natural resources we have and the Mississippi River and we're in this fix?  
18 Only second to Mississippi in poverty. How can that work? There's nobody in this  
19 audience can answer that today. Not one soul can answer that. All the oil and gas  
20 that we've got, sulfur or whatever else we got. All this great farmland and we're  
21 broke, basically. We're at the bottom. So that's troubling to me. And what -- I say  
22 that to say this. What's bad about that is these people -- and I'm not being offensive  
23 to Mr. Francis here -- I represent a little place up -- East Carroll. The average per

1 person poverty rate in the United States is 13,000 and a few dollars. Forty-eight  
2 percent of East Carroll Parish makes \$13,000 and y'all serve those people up there.  
3 You serve them. And they -- we're glad you serve them. But I'm -- what I'm trying  
4 to make the point is with these kind of statistics, high utility rates are a real problem,  
5 a real problem. Could I ask -- here [INAUDIBLE]. So I just wanted to know, you  
6 know, and we just -- you just got a check for 3 point something billion dollars, you  
7 did; didn't you?

8 **MR. DENAULT:** Correct.

9 **COMMISSIONER CAMPBELL:** How much was it?

10 **MR. DENAULT:** 3.2 billion.

11 **COMMISSIONER CAMPBELL:** 3.2 billion just came to you in a check, right?  
12 For damages that occurred during these storms, 3.2 billion. But you're not through  
13 yet. You're not through yet. You're coming back for -- how much more, Brandon,  
14 1.5 billion?

15 **SECRETARY FREY:** It's approximately 2 is my understanding.

16 **COMMISSIONER CAMPBELL:** How much?

17 **SECRETARY FREY:** I think it's about 2, a little less than 2 billion.

18 **COMMISSIONER CAMPBELL:** So just say -- so you had 3.5 -- 3.2 and you  
19 come -- so that's 5 billion total. You know the ironic thing is it's not ironic that  
20 I'm troubled by this. All this money is refunded to you from the people. You don't  
21 -- you don't pay any money. Five billion dollars. You're going to get a check for  
22 \$5 billion. The ratepayers underwrote that. They signed a note basically as we  
23 would do in common terms. They signed a note saying we're going to pay our bill

1 every month and they're going to send the money to you and you're going to make  
2 sure that everybody gets paid. And we talk about dividends. I did a little checking  
3 on your dividends. Your dividends don't go to the people I represent much. You  
4 know how many people up in East Carroll Parish have your stock?

5 **MR. DENAULT:** I do not.

6 **COMMISSIONER CAMPBELL:** I do. You want to hear it? Nobody up there  
7 that's making \$13,000 has any Entergy stock. That's not what they're worried  
8 about. They're worried about turning on the electricity and paying for it. But here's  
9 who owns your stock, Vanguard owns 12 percent of your stock; they're domiciled  
10 in Pennsylvania. So you're helping Vanguard and they spread it out. BlackRock  
11 owns 9 percent of your stock, and they're domiciled in New York. State Street,  
12 another fund, owns about 8 percent of your stock and they're from Boston,  
13 Massachusetts. And JPMorgan owns 3 percent and they're from New York, so  
14 what -- this is just a little bit of it. Thirty percent of the stock is owned by these  
15 banks or big funds and people can buy into them. So you're taking care of these  
16 people all across the United States. If you have any Vanguard utility fund, you get  
17 a dividend, and that's something. But there's something left out of this equation.  
18 Let me see if I can get this now. Help me. If I'm wrong, tell me this. There's a  
19 four part solution here. You have a storm. You come up with the damages. You  
20 come to the Public Service Commission and we okay the damage. You sell the  
21 bonds, you get the money and the people pay the bill. Isn't that right?

22 **MR. DENAULT:** Yes.

1 **COMMISSIONER CAMPBELL:** That's how it works. The missing link in this  
2 equation is the people are left out. You make your money back, dividends,  
3 somebody in Boston, Massachusetts or wherever they're at, they get a big fat  
4 dividend from your company and they do that because you're making money. That  
5 depends on how much money you make every year, dividends. You don't make a  
6 lot, your dividend [INAUDIBLE] and that's correct, right?

7 **MR. DENAULT:** Yes.

8 **COMMISSIONER CAMPBELL:** But the -- and you're salary. The more money  
9 y'all make, the better you do. They wouldn't give you a million dollar raise if y'all  
10 wasn't doing good; isn't that right?

11 **MR. DENAULT:** Yes.

12 **COMMISSIONER CAMPBELL:** Well, but the only people not doing good are  
13 the people that's going to have to pay for all the storm damages and that's the folks.  
14 That -- they -- y'all don't have any skin in this game. You don't have -- the people  
15 have to pay for everything. The stockholders -- and I'm blessed, I might have a  
16 few shares of stock, I understand that. But the vast majority of people living in  
17 Louisiana don't have stock. They have a hard time making a living, paying for  
18 their electric bills, paying for the gas bills, this, that, and the other. Now, if it's 5  
19 billion, Brandon, you're the math teacher. I used to teach math, but help me. That's  
20 been a long, long time ago. If we're going to be paying -- how much did you say  
21 we were supposed to pay, \$12 a month extra for three and a half.

22 **SECRETARY FREY:** For the average customer, it's between 10 and 12 bucks is  
23 the number.

1 **COMMISSIONER CAMPBELL:** Okay. Well, if you add another two to it,  
2 that's half of that.

3 **SECRETARY FREY:** And it's -- I confirmed. It's 1.6 is the additional ask. So  
4 the total would be right -- it would be 4.8 billion will be the total of the two.

5 **COMMISSIONER CAMPBELL:** So about how much a month would that be?  
6 About \$16 a month?

7 **SECRETARY FREY:** That's sounds -- Colby's my math guy. He's agreeing,  
8 \$16 a month.

9 **COMMISSIONER CAMPBELL:** Okay. So we're going to put \$16 a month on  
10 for 15 years. Now, not just five years. And I remember, I caught all kind of hell  
11 for Katrina and I could -- that was a terrible thing, people died. But people in north  
12 Louisiana asked me, they -- I mean, they wasn't mad about it. I mean, they just  
13 asked me all the time, when it's coming off, when it's coming off. Katrina was \$5.  
14 Now we're fixing to put the tattooing on them for \$16 a month for 15 years. And  
15 guess what? Mr. Francis can -- be glad to tell you this because he's in the business.  
16 Guess what's happening to natural gas? Y'all all know what's happening to natural  
17 gas? Whew. Seven dollars, \$6, you know what that's going to mean for people  
18 buying electricity? Not y'all's fault but that doesn't matter. The people are going  
19 to have to pay maybe \$2 or \$3 more a month for their bills because of you buying  
20 natural gas to produce electricity. I know you buy it and you pass it through. Y'all  
21 don't make a dime. I'm not blaming you but facts are facts. So we got \$16 that's  
22 going on for 15 years, maybe \$3 or \$4 for natural gas, so you talking about \$20 a  
23 month for people making a thousand dollars a month and more. That's a lots and

1 lots of money. And it really troubles me that y'all don't have any skin in this game.  
2 But I have a solution, and I'll mention that in just a few minutes. Mr. Denault, can  
3 somebody tell me about Hurricane Ida, was that from August 28, 2021 till July -- I  
4 mean, September 7<sup>th</sup>? Is that about right? You know -- can anybody tell me when  
5 Ida was?

6 **MR. DENAULT:** August -- I think it's August 29<sup>th</sup>.

7 **COMMISSIONER CAMPBELL:** It was?

8 **MR. DENAULT:** Yeah.

9 **COMMISSIONER CAMPBELL:** I'm looking at the flight log here. One time -  
10 - it's not your fault, but in 2005 when nobody else was on this Commission I don't  
11 think.

12 **CHAIRMAN BOISSIERE:** I was here.

13 **COMMISSIONER CAMPBELL:** We tried to get this and we couldn't get it. I  
14 asked -- y'all wouldn't let me have it. And I don't know how I got this. You don't  
15 need to know how I got it. Anyway, I got it. Now, I got the flight log. I'm looking  
16 at the flight log here, and it talks about Hurricane Ida evaluation, evaluation,  
17 evaluation, hurricane evaluation. Were you in Vail, Colorado during that time?

18 **MR. DENAULT:** Yes.

19 **COMMISSIONER CAMPBELL:** You wasn't -- you took you and your family  
20 out to Vail, Colorado?

21 **MR. DENAULT:** Yes.

22 **COMMISSIONER CAMPBELL:** During the storm?

23 **MR. DENAULT:** Yes.

1    **COMMISSIONER CAMPBELL:** Whew. You -- look, I'm not trying to beat  
2    you up, but I'm just worried about your logic here. You got a hell of a hurricane  
3    going on and where you and your family are is in Vail, Colorado because you have  
4    a vacation home there. And I look here about these expenses from Eagle, Colorado,  
5    New Orleans 25,000, 30,000, 9,000, 4,000, that's the plane flight. And I know  
6    you're going to tell me the ratepayers don't pay for that, right?

7    **MR. DENAULT:** Correct.

8    **COMMISSIONER CAMPBELL:** But what troubles me, I mean, you know, I'm  
9    not trying to tell you how to live your life. I am troubled, though, when the CEO  
10   of a big corporation is in Vail, Colorado during Ida rather than being in New  
11   Orleans or wherever you hang out at taking -- making sure that everything is going  
12   correct. That's just something I noticed. I also noticed something very -- really  
13   irritating to me. Y'all have at least 40 trips to Jackson, Mississippi in a jet. Now,  
14   look, if this was my company and I owned it or you owned it, that's one thing. You  
15   don't own this company. It's a stock company. If I owned it and I wanted to fly  
16   from New Orleans up to Jackson, Mississippi, that would be me. I'd say well, oh,  
17   Foster's going to pay for that, whatever it costs. But this is the people's money and  
18   it affects the people's bills. I think it's absolutely crazy for someone to get in a jet  
19   airplane and fly from New Orleans up to Jackson, Mississippi when you can get in  
20   a car and drive it in three hours on I-55. How do you let that happen? Did you  
21   know that's happening?

22   **MR. DENAULT:** Yes.

23   **COMMISSIONER CAMPBELL:** You think that's justified?

1 **MR. DENAULT:** Well, the -- sometimes people need to be more places than they  
2 can get in six hours during the day.

3 **COMMISSIONER CAMPBELL:** Well, this costs --

4 **MR. DENAULT:** So the efficiency and the convenience makes it worthwhile.

5 **COMMISSIONER CAMPBELL:** Well, look, I wouldn't let you spend my  
6 money like this, and I'm representing the people paying the lights. We got two  
7 different situations here. I'm grading the papers, and I'm looking right down at  
8 you. I think that's nuts. And I would hope that you would put in a rule -- and I  
9 thought we had this, Brandon. I thought when we were talking about this five years  
10 ago, we had a rule that said that you couldn't go -- they couldn't go in a jet anywhere  
11 unless it was the same price as commercial. Do you follow that rule now?

12 **MR. DENAULT:** Yes. That's what we allocate out is what it cost to go  
13 commercial.

14 **COMMISSIONER CAMPBELL:** Cost \$4,000 to --

15 **MR. MARK KLEEHAMMER:** Foster, if I may interject. We had this issue in  
16 our 2006,'07, and '08 formula rate plans, and we limit the cost per leg of flights.  
17 Ultimately at Entergy Louisiana, we probably remove 95 percent on average of all  
18 costs. I think what was in rates in the 2000 test year for private air craft usage is  
19 about \$170,000.

20 **COMMISSIONER CAMPBELL:** Well, to me, I mean, I just -- there's no way  
21 in the world -- what?

22 **SECRETARY FREY:** Kathryn can --

1 **MS. BOWMAN:** I can confirm what Mark is saying. We do have where Entergy  
2 Louisiana is capped at \$1,500 a person for their flights that they could recover but  
3 anything above they can't and it has to be for business purposes. So that is accurate.

4 **COMMISSIONER CAMPBELL:** Well, not all of them are business purposes  
5 but I guess he says he pays for them on his own.

6 **SECRETARY FREY:** Exactly, exactly.

7 **MS. BOWMAN:** It's below their line.

8 **COMMISSIONER CAMPBELL:** Going to Vail, Colorado has nothing to do  
9 with business.

10 **MS. BOWMAN:** Yes, sir. Anything that is not business related or above the 1,500  
11 it's below the line and it's not recovered.

12 **COMMISSIONER CAMPBELL:** Palm Springs and San Francisco. They're on  
13 here, too. Palm Springs, San Francisco. I guess you could say it's business. That's  
14 always a nice place to have -- Palm Springs place to go. But anyway, I think that's  
15 terrible management. I think that y'all ought to have a rule if anybody working for  
16 your office in New Orleans and has to go up to Jackson, Mississippi or to Baton  
17 Rouge one time you said you had to come here in a jet to see the governor but you  
18 came in the jet. I think that's a -- I think that's a sin to get in a jet airplane to drive  
19 up to Jackson -- to go to Jackson, Mississippi whatever it cost. I don't care what it  
20 costs. Cost a hell of a lot more than 5 gallons of gas at \$5 or 10 gallons, that would  
21 be \$50. It cost much more. And when you see things like this, it's troubling  
22 because when you get to looking, I don't know all the details, but get to looking at  
23 this, and it sends a bad signal, a bad signal. Bad signal when you give all these

1 dividends at a time we had all these storms. Let me ask you something. And look,  
2 I am no preacher, and I'm not trying to preach to anybody. I am full of bull. Okay.  
3 Whatever. You know, I'm no preacher. Let me ask you something. Did anything  
4 go off in y'all's mind, Phillip and you? I mean, you're close to Mr. Denault. Did  
5 it go off in your mind, did you say hey, Leo, you think it's a good time to be giving  
6 everybody a big dividend and you taking a million dollar raise with all this storm,  
7 I mean, we got \$5 million worth of storms? More than we've ever had at one time,  
8 right, Brandon?

9 **SECRETARY FREY:** That's -- I think it exceeds the total of the prior ones,  
10 correct.

11 **COMMISSIONER CAMPBELL:** Yeah. I mean, does anybody say, hey, this  
12 ain't a good time to do this. You know, we going to have to charge all this to people  
13 and they're going to have to pay it. Surely, we don't need to be giving all these  
14 dividends out to all these people up in Boston and people in New York can get a  
15 big fat dividend and our people -- we just saw this chart -- are some of the -- some  
16 of the poorer people living in the United States are having hell. Natural gas is going  
17 up. Gasoline's going up. You knew that at the time. Does anybody ever tell y'all  
18 maybe this is bad timing? Anybody say anything about that?

19 **MR. DENAULT:** Well, the -- it's a good line of questioning. I appreciate the  
20 opportunity to talk about it. I think the securitization process that you talked about  
21 earlier that -- and I want to thank you and Chairman Boissiere and members of  
22 Staff. I know Mr. Frey was also part of the Commission at the time post-Katrina

1 when it was an innovative way to actually do storm costs through securitization and  
2 you were all a party to that.

3 **COMMISSIONER CAMPBELL:** Yeah. I voted for it.

4 **MR. DENAULT:** That and -- that contributes to the financial flexibility of the  
5 company as does us continuing to pay our debts -- contribute to the financial  
6 flexibility of the company. If you look at what happened during Laura, Delta, Zeta,  
7 Uri, and Ida, the damage occurred and Entergy came up with \$4.5 billion to fund  
8 the restoration for the vendors for the mutual assistance crews to buy poles, wires,  
9 to fix substations, et cetera. So we have to have the financial flexibility to be able  
10 to source that kind of money. And what gives lenders confidence in us, what  
11 provides us the opportunity to get that liquidity is a couple of things. Some of it is  
12 the action that you all take in concert working with us about how storm restoration  
13 costs are recovered. That gives the rating agencies, Moody's, Standards & Poors,  
14 Fitch, that gives them some confidence that we will pay our debts. By the fact that  
15 we actually continue to pay our interest cost and our dividends during times like  
16 that gives the other investors confidence that we will pay our debts, allows us to  
17 raise all that money that we'll be carrying for a year and a half, two years, before  
18 securitization bonds are issued. We need to be able to source those dollars, and  
19 paying the dividend plus the understanding that working with the Commission  
20 prudently incurred costs will be recovered is a good thing for us to be able to have  
21 that financial flexibility. Now, securitization in general is far and away a better  
22 way to cover those costs than if the utility were to invest in normal ratemaking  
23 because obviously we have a very, very high rating on those, very, very low interest

1 costs and there is no equity return that goes to the utility, so it's the lowest cost  
2 financing that we can do. And the way we do it in Louisiana is really better than  
3 anywhere else in the country. So that in and of itself is us working together to help  
4 drive the cost down as much as we can. And as it relates to the dividend to, as I  
5 said, we have to take those actions to continue to pay our debts so we can get the  
6 confidence of the financial markets to give us the money up front. Now, I was the  
7 chief financial officer at Entergy during Katrina and Rita, and it was a far different  
8 situation at that point in time. After Katrina came through, we had to actually put  
9 Entergy New Orleans into bankruptcy because no one would finance Entergy New  
10 Orleans. We were not in the same financial shape back then that we are today, and  
11 at that point in time we had not tested the regulatory recovery of prudently incurred  
12 storm costs. Thirty days after Katrina hit, Hurricane Rita hit, obviously along the  
13 Texas and Louisiana border. At that point in time, vendors were asking us to prepay  
14 because Entergy Gulf States was not credit worthy enough in their mind for them  
15 to just show up with supplies and labor, et cetera, so we're getting asked to repay.  
16 We had a lot of threat on fuel that we would have to repay -- we'd have to prepay  
17 for fuel. We actually had one Texas company call and refused to provide mutual  
18 assistance to Gulf States unless we paid them in advance. The actions that we've  
19 taken in concert with this Commission have changed the game dramatically such  
20 that we were able to fund the \$4.5 billion that we needed to fund to actually do the  
21 restoration as quickly and as efficiently as we possibly could, also making sure the  
22 rating agencies didn't take as adverse action -- reaction as they did back in 2005.

1 Now, obviously they took adverse reaction because it's a big risk that the company  
2 faces [INAUDIBLE] hurricanes.

3 **COMMISSIONER CAMPBELL:** So let me ask you a question. So that's the  
4 skin in the game, that's your skin in -- that's what you're going to tell me, Phillip,  
5 that we borrowed all the money and we didn't get it back for two years, so that's  
6 our skin in the game, it did cost us some money. Is that what you're going to tell  
7 me?

8 **MR. MAY:** In regard to skin in the game, actually, I mean, we also had roughly  
9 \$70 billion revenue hit that came from -- as a result.

10 **COMMISSIONER CAMPBELL:** Oh, wait a minute.

11 **MR. MAY:** So --

12 **COMMISSIONER CAMPBELL:** Okay. I'm glad you brought that up. I'm glad  
13 you brought that up. You lost revenue in the storm.

14 **MR. MAY:** We did.

15 **COMMISSIONER CAMPBELL:** You're not saying that you ought to make  
16 money during the storm, do you? That's what you just told me. Come on, Phillip,  
17 you don't think you have a storm, y'all lose 90 million because nobody's got  
18 electricity, so what. You lost \$90 million. You didn't have any -- you couldn't  
19 serve electricity, but you ought to -- that's your skin in the game? That's your  
20 business, man. You have a monopoly. Nobody can interfere with you. And you  
21 had a terrible storm where people were dying, still living in the streets in tents, and  
22 you're telling me you lost money. Surely, you're not saying that?

1 **MR. MAY:** Commissioner, you asked what skin in the game. We actually do.  
2 Carrying that money over that time and the financial effects on the company itself.  
3 It's not like we had no effect on the company during the time --

4 **COMMISSIONER CAMPBELL:** Let me ask you another question. This money  
5 you had to borrow to go fix all the poles back before we passed the bond issue and  
6 you got the 3.2 billion, right? You had to go borrow that?

7 **MR. DENAULT:** Correct.

8 **COMMISSIONER CAMPBELL:** To fix everything up. How much interest did  
9 you -- what was the deal you made on that? I know what you made. Tell me how  
10 much -- how much interest did you -- when you borrowed all this billions of dollars  
11 or whatever to fix the poles back, what was the rate of interest you paid that you  
12 went to the bank and you borrowed all this money, what -- how much interest did  
13 you pay?

14 **MR. DENAULT:** I don't have that. Mark, if you have that.

15 **MR. KLEEHAMMER:** And Commissioner, I don't recall the exact number. I  
16 know that the -- we did a billion -- two special bond issuances, a billion each after  
17 each of the storms, probably one of them less than one percent, another one around  
18 that one percent and we removed that from all ratemaking issues.

19 **COMMISSIONER CAMPBELL:** You had to.

20 **MR. KLEEHAMMER:** It was directly applied to the carrying cost of that storm.

21 **COMMISSIONER CAMPBELL:** So you borrowed the money -- you borrowed  
22 the money at one percent and that's what they're allowing you to charge off. That's  
23 -- money was cheap. But you got to be a big boy and borrow billions of dollars. I

1 don't care, you know, they're not going to loan it to you if you don't have the credit.  
2 You had the credit. So you borrowed money to fix up the infrastructure and you  
3 borrowed it from a bank at one percent. Okay. All right. That's what I want to  
4 know. I also want to know --

5 **MR. KLEEHAMMER:** Commissioner, if I may just add to that. I wanted to  
6 make sure the point was clear. That one percent passed on to the benefit of  
7 customers. That was the purpose of coming to you as a Commission and asking to  
8 remove that from all ratemaking.

9 **COMMISSIONER CAMPBELL:** Well, here's the deal that we -- not just me but  
10 everybody on this Commission's been talking about. The more you look at this  
11 deal, it's really troubling and it ought to be troubling to ratepayers, to everybody.  
12 And I apologize for not thinking about this a long, long time ago. I've been here a  
13 long time. Some people say too long. Okay. But anyway, you just get a check for  
14 3.2 billion. Boom. You got all your money back. The only people -- like I said,  
15 the only thing in this equation is missing is the ratepayers; they're paying it all.  
16 They paid for everything. Now, y'all did fix up the system while it was down, but  
17 you went and borrowed the money at one percent and you fixed the system. Well,  
18 you had to fix the system because Phillip here was complaining that y'all lost some  
19 electricity sales while the storm was going on, which is crazy. Sure you lost some,  
20 but I mean, we're not that coldhearted to say, hey, we're worried about this  
21 electricity we're losing because Lake Charles is blown to pieces and we can't give  
22 Lake Charles electricity. We're mad about the sales over there. What you ought  
23 to be worried about, and you did, and Mr. Francis said get over there and get the

1 electricity back on as quick as possible, but you shouldn't tell people -- and I'm not  
2 preaching to you, but it should not even enter your mind that you lost some money  
3 because they had a storm. Storm are catastrophes, act of God or whatever you want  
4 to call them, but surely, we're not that callous that we're worried about a company  
5 losing money because the electricity wasn't on. That's tough stuff, Phillip.  
6 Anyway, I am -- for your -- when's the next deal coming Brandon, the next two  
7 million -- two billion?

8 **SECRETARY FREY:** It was filed here recently. We've actually got on the  
9 agenda today to hire some experts to assist us in the review, so I would -- normal  
10 course, six to eight months probably would be my guess and that's to go through  
11 the Commission process. Then you've got the bond process, which we just  
12 wrapped up another one was about two to three months following that, so, say a  
13 year conservatively probably.

14 **COMMISSIONER CAMPBELL:** To sum all this up if I got it, you want your  
15 company to make more money because the stockholders -- everybody wants their  
16 company to make money, but you have to really be aggressive and you make more  
17 money -- the more money you make, the bigger the stock dividend, the more money  
18 you get. But when you make more money, that means you either got to sell a lot  
19 more electricity or you got to have rate increases or whatever, but I have something  
20 I'm going to tell you, Brandon, right now. You can prepare an amendment from  
21 me and whoever else wants to do this. If you're coming back in for \$2 billion, I  
22 want 20 percent to go to the ratepayers. That's a small portion on 2 billion, that's  
23 \$400 million. I think y'all ought to put in \$400 million back toward the ratepayers.

1 You don't now and I know what you're going to say now. All the lawyers are going  
2 to tell me we've never done this before, you can't do it. I think we can do it. We  
3 can do it with three votes. Y'all can go to court and we can let a judge decide. I  
4 think if a judge looks at all this, they going to say well, that's fair. You know, a  
5 long, long time ago -- this is a silly comparison but they said hey, you can't -- they  
6 told Kennedy you can't go to the moon. We went to the moon, you know. And I  
7 think we ought to ask all these companies to put up -- put some skin in the game.  
8 SWEPCO is coming. I'm going to ask the same thing for SWEPCO. They're in  
9 Shreveport. I know them. If they want 50 million, 20 percent, let them come with  
10 the money. I think we ought to have a rule here that you guys coming in here and  
11 wanting all this money to put it back and it's legitimate and I understand it for y'all  
12 to do business. The only thing is missing is that y'all are not putting any money  
13 up. It's all on the people. And if you look at that chart, this is a hell of a note to  
14 put it on all these people in the state of Louisiana, some of the poorest -- I won't  
15 use the poorest -- but people who make the least amount of money in the United  
16 States and we're in charge there. Our job -- and I hope you're not offended and I  
17 really don't care because I -- it's nothing personal, but this is our job as the Public  
18 Service Commission; we ought to be doing this on every one of these people that  
19 come up here, looking through the books, just like we looked through your books.  
20 And see if Nick Akins is flying across the United States, I'd be glad to ask him.  
21 He's going to sit right there. What you doing this for, Nick? You're from Bossier,  
22 where I'm from. Your daddy sold cars, hell, you -- what are you -- you're in a jet

1 plane flying over -- how much does it cost? That's way over your head, Nick. But  
2 anyway, I want you to have me a amendment, Mr. Brandon Frey. You got it?  
3 **SECRETARY FREY:** [INAUDIBLE]  
4 **COMMISSIONER CAMPBELL:** Twenty percent.  
5 **SECRETARY FREY:** And that's the shareholders?  
6 **COMMISSIONER CAMPBELL:** I want 20 percent of this money going back to  
7 the ratepayers.  
8 **SECRETARY FREY:** Okay. So reduce it by 20 percent?  
9 **COMMISSIONER CAMPBELL:** Right.  
10 **SECRETARY FREY:** Okay. Yeah.  
11 **COMMISSIONER CAMPBELL:** And then I think that will make a fair playing  
12 -- everything will be fair. Y'all will get your money. Your company will do good.  
13 You still can pay dividends to the people in Boston and New York and then your  
14 salary, you'll probably get another raise. Everything will go good, but then the  
15 people of Louisiana -- you got a million people -- isn't that right, Phillip, one  
16 million people?  
17 **MR. MAY:** 1.1.  
18 **COMMISSIONER CAMPBELL:** 1.1 million people from Arkansas, little place  
19 called Bonita up there, right on the Arkansas line all the way down to Golden  
20 Meadow and everywhere down there, your -- south Louisiana, all the way to the  
21 Gulf of Mexico. That's a big stretch. And some of those people -- I personally  
22 think if we do our job, we'll ask you to do that, we'll all feel a little bit better that  
23 this is a fair formula rather than just making the people pay for it all. That's just

1 how I feel. You have any questions or -- let me ask you something. Would you  
2 agree to that?

3 **MR. DENAULT:** Not here, no. No, we're not. No, I would not.

4 **COMMISSIONER CAMPBELL:** Let me ask you another question. You  
5 wouldn't agree to that?

6 **MR. DENAULT:** Correct.

7 **COMMISSIONER CAMPBELL:** Would you agree to one percent?

8 **MR. DENAULT:** I think we need to go through the process and see where we  
9 come out. As I said, what we need to balance, and I think it's in all of our best  
10 interests we need to work collaboratively on the interest of the customers and the  
11 communities we serve, we need to make sure that the company continues to have  
12 the financial flexibility to have the confidence of the capital markets to be able to  
13 respond during those events.

14 **COMMISSIONER CAMPBELL:** I think your company needs to bare down on  
15 making sure the customer's satisfied. I don't represent Baton Rouge, but man, I  
16 got all kind of calls in Mr. Greene's district when all these Entergy -- not good  
17 service down here, poles were old, this, that, and the other. And we watched the  
18 presentation he had the other day that I was impressed by, making sure that your  
19 company was running right. Some people didn't feel like y'all did such a good job  
20 getting electricity on back here. That's what I was hearing from -- in Shreveport.  
21 But anyway, I hear what you're saying. You're not going to agree to 20 percent  
22 and I'm going to answer that question for you, Mr. Denault, you're not going to  
23 agree to 1 percent. But anyway, I -- I'm not for 1 percent; I'm for 20. And that

1 way I'll feel -- I'll feel confident that your company feels the hurt, too. Right now,  
2 I don't know how much hurt you feel. You don't get to sell electricity because the  
3 storm took out the electricity, you don't get to charge people for two months or a  
4 week or two. I got that. But I can't see where y'all -- I mean, evidently it didn't  
5 bother you too much, you got a big raise. Stockholders got big dividends. Y'all  
6 living pretty good. It's just the people on the other end that's not living too good  
7 in Louisiana, and we're going to have to pay a extra \$20 a month for 15 years. That  
8 could make it really bad. So I hope y'all look at this and before you come back or  
9 we all get together and see if we can come up with something where y'all feel like  
10 it's -- that y'all ought to put some money up. Right now I think you're scot-free.  
11 You know what I think about? You ever go to ice cream shops?

12 **MR. DENAULT:** Yes.

13 **COMMISSIONER CAMPBELL:** You like ice cream?

14 **MR. DENAULT:** Yes.

15 **COMMISSIONER CAMPBELL:** I do, too. You know what I like the most and  
16 it looks like it, too, don't say it, but, you know what ice cream I like the best? You  
17 know what a chocolate sundae looks like? It's big, right? Now, what do they do  
18 to a chocolate sundae when you get through with it? What do they always do to it?  
19 They put a cherry on the top, right? Don't they? You shake your head like this.  
20 You know they put a cherry on top. Yeah. That reminds me of your company. All  
21 these things you got and then you know what, you're the cherry on top of the ice  
22 cream with you guys? Y'all got a monopoly. There ain't nobody can get in  
23 business against you. That's one hell of a note, isn't it? You come out of these

1 storms. It doesn't cost you anything. You making money. You get a big raise.  
2 People in Boston and all, they get a big raise. The people don't -- they get to pay  
3 more and not only -- at the end we give you a big chocolate sundae with -- we put  
4 a cherry on the top and say oh, by the way, nobody can come to Baton Rouge but  
5 you. These lights here, y'all would have a fit if another company would come in  
6 and say we'll do that. Y'all don't want any competition? You need to start treating  
7 us better. If you don't want competition and -- you know what's going to happen?  
8 When you get greedy, then people get to thinking, you know, maybe, you know,  
9 we might ought to open this deal up for a while or let's take a look at opening it up.  
10 That's what happens. Y'all are in that situation right now. Everything's going your  
11 way. Nothing's going the ratepayers' way. And you got this big chocolate ice  
12 cream with a cherry on the top and say oh, by the way, after we know all that, ain't  
13 nobody providing electricity in Baton Rouge but you. I have a insurance agency.  
14 Man, man, man. I wish I could sell all the homeowners insurance in Shreveport,  
15 but I can't. There's about a hundred agents. He's a doctor. There's a bunch of  
16 orthopedic surgeons down here. He ain't the only one. Same way with Mr.  
17 Skrmetta, his business. He sells real estate and does brewing and all that. There's  
18 people in business. You guys have got a bird nest on the ground.

19 **COMMISSIONER FRANCIS:** Don't leave out the drilling [INAUDIBLE].

20 **COMMISSIONER CAMPBELL:** So anyway, I appreciate it. You're very nice  
21 and very respectful. And I didn't mean anything personal, you and your family. I  
22 think y'all have some bad habits and hope you cure them, and I hope that you will  
23 think about this long and hard when you come back for that extra \$2 billion and say

1 hey, you know, I think you're right or I think the Commission -- not just me. I've  
2 been talking to Boissiere and Senator Greene and Senator Francis here -- I think  
3 y'all are right, we're going to put a little skin in the game. That'll make you -- and  
4 then you know what? SWEPCO comes right behind you. I'm going to tell  
5 Malcolm, Malcom, you saw what whatchacallit did? Yep, you, too. Let me tell  
6 you what Cleco did though, and I praised Cleco. Cleco didn't give a dividend this  
7 year. You know that? They didn't give dividends and their president isn't getting  
8 a pay raise, and I praised them for it because I thought it was a good move. I think  
9 y'all ought to be out there feeling this public and when you have these storms and  
10 you look at it and I think you ought to have somebody advising y'all, saying hey,  
11 man, put the brakes on. I just don't think it's a good time to be doing this, you  
12 know. But anyway, thank you for coming. Don't feel like -- we'll ask you back  
13 and don't feel like we're just singling you out because I'm going to ask SWEPCO  
14 and Cleco and I'm sure everybody else, we'll -- Atmos, they're out there, and  
15 CenterPoint the same tough questions. We all ought to -- that's our job. But thank  
16 you, sir. You were very much a gentleman, and you have two nice people working  
17 for you. Thank you. I'm through.

18 **CHAIRMAN BOISSIERE:** Thank you, Commissioner Campbell. I think some  
19 other Commissioners have questions or comments if you don't mind me chiming  
20 in at the end of Commissioner Campbell's line of questions to ask Mr. Denault. Do  
21 you have any questions or comments before we proceed?

22 **COMMISSIONER CAMPBELL:** That wasn't rude, was it?

1 **MR. DENAULT:** The only thing I'd say is I appreciate the opportunity to be here.  
2 I think we've worked well with the Commission to try and do what's in the best  
3 interest of our customers and the communities we serve. And as I said, I think  
4 securitization has been a good signal to the rating agencies that provide us the  
5 opportunity to raise the money we need to do to frontload those dollars before we  
6 get recovery at the end of the process that we go through here. And as well as the  
7 dividends that we pay and the ability to be able to send those signals to our investors  
8 to make that happen. As it relates to a couple of the comments that were made,  
9 certainly we are owned by large institutions. Those large institutions are where the  
10 individual investors invest. So across the country people who invest in Vanguard  
11 for their 401(k)s or BlackRock, T. Rowe Price and the like, those are individuals at  
12 the end of the line. It's just those major institutions that have to buy stocks in  
13 different categories to be able to provide those to their individual investors, so it's  
14 a little more retail than it sounds when you talk about BlackRock, Vanguard, State  
15 Street, those big passive investment funds. I would like to add that there's a lot of  
16 things I think that we can continue to do together, and it is our view that we need  
17 to do whatever we can to work to keep our rates down to customers, to offset what  
18 we're doing with natural -- what's happening with natural gas prices, inflation, and  
19 the like. We've been very, very proactive in the transition of our generation fleet  
20 to help manage some of those costs. So if you think about the new generation that  
21 we added on the gas side, the CCGTs, both the J. Wayne Leonard plant and the  
22 Lake Charles, Louisiana plant, both of those plants are so much more efficient than  
23 the plants that they replaced, that the spread between what it cost to generate

1 electricity using gas out of those today versus what we would have done, say, 5, 10  
2 years ago before those plants came online is significantly differently, about 40  
3 percent less than it otherwise would have been. Also, in anticipation of rising  
4 natural gas prices as well as with reduction in the cost, we are starting to deploy  
5 more and more renewables and that's why we've been in front of you quite a bit  
6 with renewables over the course of the last couple of years. We've got, I think, 250  
7 megawatts renewables in service. We've got 475 before the Commission currently.  
8 That's 600 megawatts of renewables that we've got in negotiation from our '21  
9 RFP and we're getting ready to issue an RFP for 1,500 megawatts. That will help  
10 offset some of the natural gas price increase as well as continuing to operate our  
11 nuclear fleet. In addition to working with the Commission to get that kind of asset  
12 in place to help lower costs for customers, a lot of our large industrial and  
13 commercial customers are actually asking for those assets. And the more proactive  
14 we can be to work together to try and get those online, the better off we're going to  
15 be in creating economic development for the state, bringing new jobs and helping  
16 to offset some of the issues that Commissioner Campbell had so rightly talked about  
17 in terms of what the income levels are and the poverty levels of the state. That's  
18 also a reason why Entergy spends a significant amount of money in the state,  
19 whether it be through our charitable foundations, employees' contributions to The  
20 Power to Care, our employee volunteer hours as well as all the advocacy that we  
21 do in Washington, DC to get out dollars allocated to the state for [INAUDIBLE] to  
22 help people pay their bills. One other thing I would mention is we also look forward  
23 to coming to the Commission with our resiliency plans. These storms that we're

1 seeing, whether they're winter storms like Winter Storm Uri, the number of  
2 tornadoes -- when I first moved to Louisiana, a tornado outside of a hurricane was  
3 a pretty rare occurrence and now it seems to be the kind of thing that we see more  
4 and more. We've seen some of those devastating in New Orleans area just this  
5 year. Given the increased frequency and the increased severity of what we're  
6 seeing in storm activity, we think that the game has changed in terms of how  
7 proactive we should be in providing resiliency to the system, and we're looking  
8 forward to the opportunity to come to this Commission with a plan that we're  
9 analyzing right now that will do just that to be able to spend money now that will  
10 avoid future storm costs, which at the end of the day will be cheaper for customers  
11 than it will be if we're putting things back up more and more often. If you think  
12 about the hurricanes that we saw in the last two years, it had been since -- 1856 was  
13 the last time we had a hurricane as strong as Hurricane Laura. And then we went  
14 12 months later to the day we had one exactly like that with a couple of hurricanes  
15 in the middle. Once in a hundred year events are much more common place today  
16 than they used to be. And so as we balance resilience, reliability, affordability, and  
17 sustainability, we need to look at this differently today than we would have five  
18 years ago. In addition to storm activity being on the rise as our customers try to  
19 decarbonize their footprint which if you look at Louisiana, there won't be a  
20 decarbonization of the United States unless Louisiana decarbonizes. Our customer  
21 base has a bigger carbon footprint than any other utility in the United States.  
22 They're coming to us asking us to electrify more of their processes such that they  
23 can make the trade from burning fossil fuels to utilizing our clean electricity. We

1 have one of the cleanest large scale fleets in the United States currently, getting  
2 cleaner all the time. As they rely more on us, the impact to them of these storms  
3 becomes greater. So that combination of more frequent, more intense, and more  
4 reliance on the electric grid means that that cost benefit analysis is shifting from  
5 where it would have been five years ago to where we're looking forward to bringing  
6 that opportunity to provide that resilience to the grid to all of you.

7 **CHAIRMAN BOISSIERE:** Let me -- if you don't mind, I'm going to stop you  
8 right here because although it's all great information, I know that other  
9 Commissioners have questions. I'm sure to some degree you have probably  
10 answered some of those questions in your comments, by the same token, I think the  
11 Commissioners deserve a right to be able to ask the specific questions and allow  
12 for your answers to be specifically in response to that. So at this time, the next  
13 Commissioner is Commissioner Greene.

14 **COMMISSIONER GREENE:** Thank you for being here, and you do have two  
15 great guys here. I consider them -- that it's -- democracy is negotiated capitalism,  
16 and we need to know from the experts involved what's going on as we make policy.  
17 I know you all mainly represent shareholders and we mainly represent ratepayers,  
18 and the purpose of this meeting is to find that balance and if it's out of balance, how  
19 do we address it. And so I just want to share some of my thoughts and most of  
20 them are curiosities; they're not declarations. And then the other word I would say  
21 is we're about accountability. I think good governance is around accountability,  
22 and we can't do that without information. And so, you know, I saw an interview  
23 you had with CEO North America. You said that we're in the midst of building

1 new gas and renewable power plants and we're retiring old gas plants, and  
2 ultimately, by the end of the decade, some of our coal facilities, which is good, as  
3 well as developing new transmission lines and distribution technology. And you  
4 go on to say that this is a one to five year strategy that served us really well and the  
5 earnings growth and what you've seen in the stock price appreciation. And that's  
6 good. You're doing a great job with that. And you note that you've managed  
7 business risks through a planned and orderly exit from a merchant business, the  
8 creation of a world class capital project management organization that delivers our  
9 projects on time and budget, which is good, and building constructive relationships  
10 with our regulators that have enabled the development of progressive regulatory  
11 mechanisms. That sounds great, too, but you go on to say that 90 percent of our  
12 capital plan over the next three years requires no further regulatory approval to  
13 execute, and 90 percent is expected to be recovered through timely progressive  
14 regulatory mechanisms. And so I feel like there's a little out of balance if there's  
15 90 percent that you get to spend and earn a return on without us approving, and so  
16 what do we tell customers when they say --

17 **MR. DENAULT:** Sure.

18 **COMMISSIONER GREENE:** -- that's out of balance? Because I get that call a  
19 lot. And so we look at our measures are the same things you just said reliability,  
20 affordability, and sustainability. Well, we happen to have reliability metrics, the  
21 SAIDI and the SAIFI numbers, which if you subtract out the storms, 47<sup>th</sup>. If you  
22 include them, we're 50<sup>th</sup>. And so that's the imbalance that I perceive is that you're  
23 giving your shareholders great returns but our customers -- it's like price and value.

1 If you have a big price, okay, well, if you have a big value, then the price is okay.  
2 If you're getting a small value, that seems like a really higher price. I think that's  
3 what customers are feeling, at least what they're reporting to us. So that seems  
4 more like a one way street and sometimes your guys do such a great job that they  
5 align Entergy's interest with the ratepayers' interest and we have to double check  
6 that homework to say is it really aligned. And so we would really love y'all's help  
7 on finding more alignment, but we do have to check your homework on that, too,  
8 right? So I just have one more thing to say that -- I think that we want to see that  
9 you value your customer as much as we represent them. You know, things like  
10 rebranding, is that the best time to do that? Did it really cost close to a billion  
11 dollars during storm recovery? We hear these things and we don't know how to  
12 check those out. So we need to know those things in order to be accountable. So I  
13 have a docket open and it's called customer centered options. You know, I have a  
14 rule in my practice, if it's always about the patient, it's going to work out fine, and  
15 then if we put the hospital, the insurance company, the doctor after, make it about  
16 the patient. And I approach the same way with the regulatory, if we can make it  
17 about the ratepayer, and so I have a docket customer centered options that, like he  
18 mentioned, does include okay, what does retail competition look like? Maybe the  
19 way we're doing it right now is the best, but we need to do better and so I have a  
20 curiosity. Perhaps it's performance based regulation. I know they're tiptoeing --  
21 they do some of that in Hawaii and whatnot, but I have a curiosity that encompasses  
22 a lot of what we're talking about today to say how can we make it better for the

1 customer. And I would just like for y'all to engage in those conversations along  
2 the way.

3 **MR. DENAULT:** Sure. Sure.

4 **COMMISSIONER GREENE:** And accountable, and I think y'all have a lot to  
5 contribute to Louisiana, to the grid. Y'all are an asset to Louisiana. We just want  
6 the balance to be there better.

7 **MR. DENAULT:** Yeah. If I could comment on my comments about the 90  
8 percent further regulatory approval is the comment.

9 **COMMISSIONER GREENE:** Say again.

10 **MR. DENAULT:** Further regulatory approval.

11 **COMMISSIONER GREENE:** All right.

12 **MR. DENAULT:** So in that comment, I'm not sure exactly when the date was or  
13 what assets we were talking about, but if we were to look at our capital budget, it's  
14 not that it doesn't require any, it's that it might have already occurred. So for  
15 example, when we get your approval to go forward with the construction of a power  
16 plant, well, now you've given us approval, our capital budget at the time, 90 percent  
17 would have either been in your preapproval, MISO preapproval, or some --

18 **COMMISSIONER GREENE:** I understand.

19 **MR. DENAULT:** -- other avenue. So it wasn't that it doesn't require approval at  
20 all. It was that it doesn't require any further approval.

21 **COMMISSIONER GREENE:** That makes sense.

22 **MR. DENAULT:** And so I just wanted to clarify.

1 **COMMISSIONER GREENE:** No, no. Thanks. Thanks. And that's the kind of  
2 --

3 **MR. DENAULT:** We weren't trying to cut anybody out of the equation who has  
4 a right to be in the equation. And as far as your customer centered options, our  
5 objective is to provide outcomes the customers desire and that we think that we will  
6 grow the company more if we are focused on our customer. We've reorganized  
7 our entire organization to create a chief customer officer so we can do just that.  
8 And we're trying to actually overtake some of the issues that you mentioned. So if  
9 you think about how we've approached resiliency over the course of the last 10  
10 years, we started with the generation footprint, moved into transmission, and now  
11 we're going to move into a pretty distribution-centric plan. We had to get that  
12 generation footprint right first and that transition of our portfolio from older plants  
13 that were more difficult to rely on because they were higher costs, they were less  
14 efficient and higher gas prices today would make them less advantageous to the  
15 customers than they were even at the point in time we made that decision. We've  
16 made it to more efficient natural gas now, more renewables as we see the price and  
17 the efficiency of those become more favorable as well as today with natural gas  
18 prices where they are, renewables make more sense than they ever did. It's a big  
19 difference between \$6 dollar gas as the Commissioner mentioned, about how  
20 valuable a renewable might be versus \$1.50 gas which we were seeing at some  
21 point in time while we were working through some of those. So our objective is to  
22 create an environment where the customers are getting outcomes they desire and  
23 we want to make sure that we manage our business to match. That's going to do a

1 couple of things. It'll improve the service levels that you're talking about, which  
2 is a desire of ours and that is part of compensation for all of us as well so we're  
3 aligned with that objective to make customers better off. And in addition to that,  
4 we think that it's really going to help drive the economic development of the state,  
5 which at this point in time, we see a tremendous opportunity to help change the  
6 game of some of the things Commissioner Campbell was talking about by  
7 providing new jobs in the state based on the value of being in the state plus our  
8 ability to help drive economic development and bring people here and help create  
9 jobs by us changing the game on a resiliency and our sustainability as well as  
10 continuing to be affordable.

11 **COMMISSIONER GREENE:** Thank you.

12 **CHAIRMAN BOISSIERE:** Thank you, Commissioner Greene. At this time,  
13 Commissioner Francis.

14 **COMMISSIONER FRANCIS:** Thank you, Leo, for coming today.

15 **MS. BOWMAN:** Commissioner --

16 **CHAIRMAN BOISSIERE:** Oh, sorry.

17 **MS. BOWMAN:** Thank you.

18 **COMMISSIONER FRANCIS:** Okay. Thank you for coming today. All five of  
19 us Commissioners are getting a lot of calls from folks -- we're all hurting here in  
20 Louisiana, not just in Commissioner Campbell's district. I do want to compliment  
21 you on one thing. The two storms we had in the Lake Charles area, in my area, you  
22 did a great job with getting the lights back on. Thank you for that. In -- I think  
23 instead of coming from five politicians, I think we looked at the company to look

1 at ways that you might be able to help the customer so I just -- I'd like to hear some  
2 creative ideas from you and the other utility providers, too, that -- what can you do  
3 and still keep your company stable to help you with these times, so I'll just stop  
4 right there. Thank you.

5 **MR. DENAULT:** Thank you.

6 **CHAIRMAN BOISSIERE:** Well, Commissioner Campbell wanted to ask  
7 another question, please. Commissioner Campbell.

8 **COMMISSIONER CAMPBELL:** This is not being critical, just looking at the  
9 points. Now that y'all -- and I'm glad because I've always been for this, now they  
10 all got the religion on renewables. I'm glad to see we're getting saved. Y'all have  
11 seen the light and you've saved. I remember when I first got here or we started  
12 having solar roof tops -- solar in your area.

13 **CHAIRMAN BOISSIERE:** That's right.

14 **COMMISSIONER CAMPBELL:** And man, I was campaigning down there and  
15 everywhere I'd go, solar, solar, solar, solar and y'all were all against that, that's  
16 true now. And now you've been saved, come to see the light and now y'all are  
17 building solar plants.

18 **CHAIRMAN BOISSIERE:** That's right.

19 **COMMISSIONER CAMPBELL:** But y'all gave all the people hell down there  
20 that was putting solar on the roofs. Matter of fact, y'all cut the price. They don't  
21 get anything now. They just get wholesale, right, they were getting retail cost and  
22 y'all -- I didn't vote for it because I wanted y'all to split it in the middle because  
23 they do participate. They create electricity but you convinced everybody, well, it's

1 our lines and all that so y'all -- they were getting like on four cents, they were  
2 getting four cents and I said, well, how about giving them two cents and y'all take  
3 -- oh, no, we not giving them anything. They using our lines, they producing  
4 electricity, we'll take it, but we not going to give them anything for it. So just for  
5 the record, your company was very, very non-renewable for a long time, and now  
6 that y'all have been saved, you're all about it and I appreciate it. It's always nice  
7 to get saved, it's always nice. It's becoming a thing. I was at -- anyway, I don't  
8 want to say any more about it. We could have -- if we'd have all listened to all this  
9 global warming bologna and took it to heart a long time ago, if the companies would  
10 have worked together and the people would have worked together rather than  
11 splitting it down the middle and making a political issue, if we just all would have  
12 worked together and say, you know, it might be right, we'd have been a long ways  
13 down the road and it'd save a lot of money. The companies didn't want to do it,  
14 big companies didn't want to do it because it cost money and the, you know, money  
15 always rules, I understand, that's the way it works, but if we would have worked  
16 together, we'd have been further down the road. Now, I'm glad that y'all are  
17 putting in these solar farms. I'm trying to do everything I can in north Louisiana.  
18 We've got four or five going in and I'm all for it. It makes sense. And the wind  
19 energy, we get wind energy from -- SWEPCO bought the biggest wind farm in  
20 America up in Oklahoma and I'm all for it. I want to ask you one thing. I forgot  
21 to ask you this though, and I would be kicking myself if I didn't ask you. All these  
22 bids out here for lawyers, we've got a bunch of them and they put down how much

1 they make per hour. All the lawyers that ask for jobs here, I don't know, which  
2 ones -- give me one of them, what number you got?

3 **MS. BOWMAN:** You can look at Exhibit 6.

4 **COMMISSIONER CAMPBELL:** Six? Yeah. Okay. Well, a lot of them, I  
5 raised hell about the rates. I've been raising hell about the rates, so Stone Pigman  
6 gets a lot of work here and at the end of it, they'll always say, no fees or discounted  
7 rates, how you like that? No fees or discounted rates, that's what Stone Pigman is  
8 saying. Well, the reason they're saying they're discounted rates because I raised  
9 hell about all these rates. How much you pay your lawyers up in Washington?  
10 How much -- Stone Pigman charges \$475 an hour to go up there. How much you  
11 pay your lawyers?

12 **MR. DENAULT:** I'll have to say I don't know.

13 **COMMISSIONER CAMPBELL:** Well, could I ask you a question? Is it \$800  
14 an hour?

15 **MR. DENAULT:** I honestly don't know. I don't know.

16 **COMMISSIONER CAMPBELL:** Is it -- how about it, Mark?

17 **MR. KLEEHAMMER:** Yeah, I would interject that I might ask Karen Freese to  
18 join us on this one. I'm sure it is higher, as I think we've discussed, depending on  
19 where folks are domiciled and located, rates change. We've got very specific  
20 litigation going on but this may be more of a question for Karen because I'm not  
21 sure what is public and what's not public.

22 **CHAIRMAN BOISSIERE:** If you don't mind, do you want to invite Karen to  
23 join us?

1 **COMMISSIONER CAMPBELL:** Yeah, well, I --

2 **CHAIRMAN BOISSIERE:** Because let me tell you, she's smart and she's very  
3 skillful.

4 **COMMISSIONER CAMPBELL:** Well, come -- tell her to come on up here. I  
5 want to know.

6 **CHAIRMAN BOISSIERE:** All right. Here she comes. You know, you're getting  
7 the heavy hitters from Entergy now.

8 **COMMISSIONER CAMPBELL:** Yeah.

9 **COMMISSIONER SKRMETTA:** Just when you thought you got away.

10 **CHAIRMAN BOISSIERE:** Let me tell you. I remember when she used to work  
11 here, she's tough, smart, like her a lot.

12 **MS. KAREN FREESE:** Thank you, Commissioner. And just for the record, I'm  
13 Karen Freese, I'm Vice President and Deputy General Counsel for Entergy.

14 **COMMISSIONER CAMPBELL:** How much do you pay your lawyers in  
15 Washington?

16 **MS. FREESE:** It depends on the law firm. I'd say the range is anywhere from  
17 650 an hour to as much as 1,200 depending upon the nature of the work and the law  
18 firm involved.

19 **COMMISSIONER CAMPBELL:** You agree that money is the people's money,  
20 right?

21 **MS. FREESE:** I certainly do, just as the \$560 we pay to Mr. Fontham is the  
22 people's money.

1     **COMMISSIONER CAMPBELL:** I understand. But there's a big difference  
2     between \$1,300 an hour and \$450 an hour. There's a big difference.

3     **MS. FREESE:** I agree. And Commissioner, when we assign work to outside  
4     lawyers, the first thing we do is we try to go to the lowest cost firms that we can  
5     and we staff them up. There are some cases, not a lot, but there are some cases  
6     where the claims are very big and very complex and we have to go a larger, more  
7     expensive law firm to be able to handle that.

8     **COMMISSIONER CAMPBELL:** You know, you've been always nice to me  
9     and I appreciate it. This is not being -- this ain't about being nice to each other, I'm  
10    just asking questions.

11    **MS. FREESE:** Well, we can be nice to each other, too.

12    **COMMISSIONER CAMPBELL:** Okay.

13    **MS. FREESE:** You know that.

14    **COMMISSIONER CAMPBELL:** From 13 -- to 450 is \$850 an hour difference.

15    **MS. FREESE:** That's right.

16    **COMMISSIONER CAMPBELL:** Now, Mr. Fontham will tell you and he's a  
17    complicated lawyer, too. And we think he is and I think 450 is a lot. I've given  
18    him hell about paying 450.

19    **MS. FREESE:** It's 560. It's 560 that we're paying for his litigation at the FERC.

20    **COMMISSIONER CAMPBELL:** Okay. Well, so you're paying 750 more for  
21    your guys.

1 **MS. FREESE:** No, because like I told you, we have a -- we have a tier, we have  
2 lawyers that we're paying less than Mr. Fontham's rate to that are part of the FERC  
3 team and frankly, doing the bulk of the work, but we do have one law firm --

4 **COMMISSIONER CAMPBELL:** Ask Fontham to come up here.

5 **MS. FREESE:** We do have one law firm that we've engaged that has higher rates.

6 **CHAIRMAN BOISSIERE:** Let me --

7 **MS. FREESE:** But the bulk of the work is being done by people with billing rates  
8 in the 400 to \$450 range.

9 **CHAIRMAN BOISSIERE:** Let me interject right here. Mr. Fontham, would you  
10 like to come up and discuss these numbers and issues with us?

11 **COMMISSIONER CAMPBELL:** Just for the record, I think he charges too  
12 much, Mr. Fontham. So I --

13 **CHAIRMAN BOISSIERE:** It's about to get good up here now. Come on.

14 **COMMISSIONER CAMPBELL:** Yeah. And so I've been on him about his rates  
15 and when I hear about some of yall's rates --

16 **COMMISSIONER GREENE:** I would just like to interject that we wouldn't have  
17 to pay any attorneys if there wasn't a hide-the-ball element going on on some  
18 things.

19 **MS. FREESE:** Well, or if people were willing to engage in settlement  
20 negotiations.

21 **CHAIRMAN BOISSIERE:** Can we get a chair for Mr. Fontham, please?

22 **MS. FREESE:** So.

23 **MR. MIKE FONTHAM:** I can just stand and tell you the --

1 **MS. BOWMAN:** You need to speak into the microphone.

2 **CHAIRMAN BOISSIERE:** This is Mike Fontham.

3 **MS. BOWMAN:** Yeah, they are portable so you can move it.

4 **MR. FONTHAM:** I'm Mike Fontham, one of the special counsel for the  
5 Commission. We had to bid for all FERC litigation, a set of rates which we did last  
6 year, I believe, and that covers any case that we take on for the Commission at the  
7 FERC. My rate is \$460 an hour. Dana Shelton is \$395 and Justin Swain, who does  
8 quite a bit of work, is \$260 an hour. And then for other, you know, newbie attorneys  
9 who really haven't been working on these cases much, it ranges from 215 to 260,  
10 paralegals, 120 to 165. There is one case that is pending in the US Supreme Court  
11 that was a case, you know, related to the bandwidth where we were retained on just  
12 what our normal rates were and my rate in that case is, I think it's \$595 an hour, I  
13 think we sent a bill that was \$625, which was an error and we are correcting that  
14 but my real rate is way higher than, you know, my rate is the \$625 for anything  
15 else. I think that, you know, Entergy has refused to answer questions in our FERC  
16 cases about what they pay these lawyers except if it is kept completely confidential  
17 and they are fighting to retain that confidentiality so they won't have to reveal what  
18 each law firm is paid, but I -- you know, they did allow us, even though the  
19 Commissioners didn't sign the confidentiality agreement, they did allow us to tell  
20 y'all what the rates are so, you know, I don't think I've seen a \$600 rate for  
21 Entergy's Washington or Chicago or Los Angeles lawyers, but the range is towards  
22 the high end of what Karen said. And with regard to that remaining case in the  
23 Supreme Court that Stone Pigman is doing, you know, that might be five percent

1 of our -- well, even less than five percent of our work for the Commission in the  
2 last three or four years, so.

3 **COMMISSIONER CAMPBELL:** Well, listen I was asking the question but Ms.  
4 Freese, you told me --

5 **MR. FONTHAM:** Am I done?

6 **COMMISSIONER CAMPBELL:** Yeah, you're done. Ms. Freese --

7 **CHAIRMAN BOISSIERE:** That was about \$800 right there.

8 **COMMISSIONER CAMPBELL:** How much did that cost, Mike?

9 **COMMISSIONER SKRMETTA:** Just send him the bill.

10 **COMMISSIONER CAMPBELL:** That should have been free.

11 **COMMISSIONER SKRMETTA:** There's no such thing.

12 **COMMISSIONER CAMPBELL:** How much -- what did you say, they were  
13 north of \$1,000 an hour, didn't you tell me that?

14 **MS. FREESE:** Yeah, I said that the rates for the DC attorneys ranged from  
15 anywhere from 600 to \$1,200 an hour.

16 **COMMISSIONER CAMPBELL:** Okay. Well, that's not privileged. Mike, she  
17 just told you what they were, \$1,200 an hour. Hey, that's three times what we pay.  
18 You know, but anyway, I just wondered about that. That's all.

19 **MS. FREESE:** And I appreciate that, Commissioner, and you know, we do too.  
20 You know, I'm held to a budget and so I really do make sure that when I can use  
21 my \$300 an hour lawyers, I use them. If next tier, go up to my \$450 an hour  
22 lawyers, I use them and we do a whole lot of work in-house as well and I think our

1 average in-house rate is, if you -- you know, if you calculate salary, divide by hours,  
2 I think it's somewhere around 130, \$135 an hour, so.

3 **COMMISSIONER CAMPBELL:** Well, listen, I was --

4 **MS. FREESE:** And we really are conscious of the fact that customers eventually  
5 pay these bills and we want to make sure that they're as low as possible.

6 **COMMISSIONER CAMPBELL:** I believe you. I praised your counter person  
7 that worked with you. This lady saved a thousand of dollars, that clerk.

8 **MS. FREESE:** Yep, Heather.

9 **COMMISSIONER CAMPBELL:** That lady, secretary. She saved thousands of  
10 dollars for people all over the state of Louisiana by saying these light bulbs are way  
11 too high. So anyway, and you've always been a lady and I believe you, so your  
12 rates in Washington costs \$1,200 an hour. Okay. And we're getting Fontham for  
13 \$495 an hour. So, okay. I got it. Thank you.

14 **MS. FREESE:** Thank you.

15 **CHAIRMAN BOISSIERE:** Well, all right. Well, now, it's the chairman's turn.  
16 I have some questions myself. First of all, so far the discussions have been pretty  
17 good. I mean, lively but interesting. I have some questions I want to ask and I want  
18 to talk about some things that have been said already. But I'd like to start off by  
19 saying to Mr. Denault, how much I appreciate you coming down here. I really --  
20 it's a rare instance that the chairman or the CEO of Entergy will come before the  
21 Louisiana Public Service Commission. I think it's been years since -- you  
22 mentioned you haven't been here. But I think your predecessor, Mr. Leonard had  
23 come. I don't know the exact date, but I would imagine that would have been before

1 2010, somewhere between 28 -- 2005 and 2010, so that's -- got to believe that's  
2 more than 10 years or maybe even as high as 15 years. And to say that we heard  
3 about the privilege of the companies being here in Louisiana, and even in New  
4 Orleans, consider yourself a local company and such a big company and we are  
5 regulators, I'd like to see you here more often but not to be dragged down and  
6 grilled, but to develop a relationship where we know the Commissioners can have  
7 a dialogue with you. And I'm not saying you've ever been opposed to that, I just  
8 think it makes a much better statement if we can actually have you come by more  
9 frequently and to discuss things as they arise. I think what happens is if we let 15  
10 years go by, things have kind of pent up and frustration may come out. And a lot  
11 of things, actions change, rules change, policies change, fuel costs change, you  
12 name it, it's a fluid business and so sometimes decisions that were made 10 years  
13 ago don't seem to be as prudent today and vice versa. So I'd like to see maybe --  
14 to see you more often but I say all of that to say thank you and thank you for coming  
15 here and thank you for taking the questions and thank you for being before the  
16 public and this Commission. Now, as Commissioners, myself and my fellow  
17 Commissioners up here, our job is to regulate the utility companies, but we do so  
18 primarily to protect ratepayers and we believe in Louisiana, it's been set up as this  
19 is a regulated monopoly. Your company is a monopoly. It's a company but it's a  
20 monopoly so it's a different format, it's a different business model and for that, it's  
21 regulated and it's done so in order to protect the ratepayers, the public, the  
22 businesses, industry, and in short, the people of Louisiana. And for that, we expect  
23 reliable power at the cheapest rate possible. And in return, we make sure that the

1 companies are healthy and get a guaranteed fair rate of return. Is that somewhat of  
2 a fair description of our relationship? Pretty much, paraphrased.

3 **MR. KLEEHAMMER:** I hate to jump in. I would just always say we have an  
4 opportunity for a fair return, you know, back to the issues that we've had, you know,  
5 we have a target of 9.5, we've been earning 8.5 in the past so that's why I always  
6 struggle with the word guarantee.

7 **CHAIRMAN BOISSIERE:** Well, you know, there's a timing, if you like --  
8 there's time to talk about that. I mean, we have rate cases all the time and we do  
9 those sorts of things. We have bandwidth and we've done a lot of things to try and  
10 work those things together but we always have room to discuss it and we've done  
11 so constantly, all the time. But in short, I think we -- what we try to do is set a tone  
12 and a balance at the Commission between the companies and the ratepayers. If you  
13 will, even a partnership and that's what we try to do is manage and balance that.  
14 And today, we've heard some big numbers on some of the benefits that Entergy  
15 may receive things. And I guess the question is when we look at all the facts, when  
16 we look at all the spreadsheets and the interests and the things that are being done,  
17 is it fair, is it balanced, that's a question that, of course, we can answer. We heard  
18 numbers today like high salary, \$17 million, dividends, 2 to \$3 billion with, I mean,  
19 two is high, three is high but they're both high. Airplanes and luxury items. At the  
20 same time, we have large expenses for storm damage and repairs. Obviously, we  
21 may talk about whether the rate is accurate but a guaranteed rate of return. It's  
22 never zero. And we know that most of this income comes, or at least on a regulated  
23 side, from its customers, from ratepayers. And at the same time, it's been discussed

1 that Louisiana's a modest state. We generally have one of the poorest states  
2 obviously, and we live in a difficult area where storms are frequent. We're in a  
3 very hot, humid climate, which means we probably use a lot of electricity to  
4 generate our cooling and lighting. So I know that other Commissioners have asked  
5 the questions along some of these numbers that I just discussed and I'm going to  
6 give you an opportunity to tell me why Entergy can earn so much, give so much to  
7 their shareholders, where salaries can be so high, contracts for lawyers can be so  
8 big when all that money comes from a very poor state. I'm going to give you the  
9 opportunity to justify that and tell us why that's a fair relationship.

10 **MR. DENAULT:** Sure. And thank you and I appreciate your comments. I'll start  
11 with kind of the rate side of things. Obviously, in Louisiana, we enjoyed, for a long  
12 time, the lowest rates in the United States, and certainly, that's something that I  
13 think we've collectively worked together between this Commission and the  
14 company to try and maintain. Certainly, with gas price rises and the recent storm  
15 activity, that's put pressure on that position and our objective is to do everything  
16 that we can to try and invest in a way that keeps rates at a competitive level because  
17 we have two customer bases that I think are very, very important and need low costs  
18 from us. One is our residential customers who many of whom are struggling and  
19 the other is the industrial customers who compete in worldwide markets that  
20 provide jobs and are trying to expand or locate in the state and we want to do  
21 everything we can to help bring those companies here. So our objective with our  
22 future investments, if you think about what we're trying to do with the grid or what  
23 we're trying to do with our generation footprint, renewables grow out and how we

1 deploy those are all based on trying to make sure that the investments we make  
2 have a benefit to the customers that allows them to be worthwhile. So for example,  
3 resilience. With the changing dynamic in storm activity, the avoided costs of not  
4 having to spend as much for storms in the future is actually going up if you think  
5 they're going to be more frequent and more severe. Again, is it every 170 years or  
6 every 12 months that we're going to see a Category 4 hurricane? Probably neither  
7 of those, but somewhere in between is something that we need to go for such that  
8 the avoided costs of not having to rebuild after a storm with all of its inefficiencies  
9 because of the timeframe and the costs that we can get in front of that. Same with  
10 renewables. There's a combination of a desire for some of our customers to actually  
11 take a slice of those through the green tariffs that we're trying to develop that helps  
12 lower the costs to customers to help them pay for it plus the addition of the fact that  
13 now with gas prices higher, those renewables will become --

14 **CHAIRMAN BOISSIERE:** Let me slow you down a little bit. Although, I  
15 appreciate your answer. But I want to -- I don't want us to switch yet. I had a  
16 follow up on storms and recovery.

17 **MR. DENAULT:** Okay.

18 **CHAIRMAN BOISSIERE:** Okay. In general, these are questions -- and once  
19 again, we didn't get a chance to see you down here. We have an opportunity before  
20 this Commission, before the people that generally come out. It's a public meeting.  
21 It's also being streamed and recorded. So it's a public meeting where the people  
22 can get a chance to hear the answers, so I'm going to ask some specific questions,  
23 which I heard you were answering before I got there so it'd be better if we followed

1 along like this. On storms, we just sold bonds and that's going to be later in the  
2 B&E that we discuss the bond sales that just were sold from the Ida and the Laura  
3 bonds, some of the Ida and some of the Laura and Zeta bonds and a few other storms  
4 of the previous two years and the much damage that we've had somewhere in the  
5 neighborhood of \$3 billion were recently sold and guess what time of year it is now.  
6 We're entering hurricane season. So let me just ask you specifically, what is  
7 Entergy doing right now to prepare us for hurricane season and how should the  
8 people feel about possibly getting hit with more storms and how can we continue  
9 to afford to pay for this recovery?

10 **MR. DENAULT:** So currently, we've gone through our preparation for the  
11 system. System gets prepared every year going into hurricane season and it's things  
12 like making sure that we schedule maintenance in the right way, that we get our  
13 power plants back online, and we do vegetation management in such a way that we  
14 clear as much right away as we can to allow for the fact that, you know, so debris  
15 doesn't hit lines and the like. We also drill, do storm drills to make sure that our  
16 crews are ready and that the system's ready. We take lessons learned from our  
17 previous storms to put in place to make sure that operationally, we figure out a way  
18 to do it more efficiently. There's always something that we learn. Every storm is  
19 a little bit different, so we learn something new and we try to incorporate that into  
20 our future storm response. Lining up inventories, poles and wires and things like  
21 that that we need to make sure that our supply chain, which this year, is particularly  
22 important because supply chain issues are big worldwide in a number of ways.  
23 Getting the securitization done before a storm season hits was a big piece of

1 providing us with the ability to get the liquidity we need should a storm occur as  
2 well as to replenish our storm reserves. Having that in place provides us the  
3 financial flexibility to do it all again if we have to and operationally, we're making  
4 sure that we're doing everything we can to be as efficient as possible should that  
5 occur.

6 **CHAIRMAN BOISSIERE:** If you don't mind, I'm going to add one other thing,  
7 it's more of a question that I get so I'm going to pass it on to you. I understand that  
8 you're prepared to recover from the storms under the current system. Is there  
9 anything we can do to harden the system, to strengthen the system so it's not  
10 destroyed every time a storm comes through and where we're building to the tune  
11 of billions of dollars every time? Is there anything we can do to -- I mean, every  
12 storm, I go around, I get called. I'm on the ground and I see you have two fine  
13 gentlemen next to you, Mr. Kleehammer, Mr. May, I ride the bucket trucks. I go  
14 out in the public. I'm right there in the street. I go into the flooded areas, I go into  
15 areas where power's out and they'll tell you the same, and I take pictures of broken  
16 poles and downed lines and that's during the storms. But in between storms, I'm  
17 constantly calling in broken poles and down lines from maintenance that could be  
18 improved so let me ask you again. Is there something Entergy can do to harden the  
19 system and prepare the system so it's not so easily destroyed under these storms,  
20 something to give us some resiliency and strength so that we can withstand the  
21 storms and stop spending building billions of dollars to constantly rebuild it?

22 **MR. DENAULT:** Yes. And we have done that. We continue to do it and again,  
23 that's what I was mentioning that we look forward to bringing to the Commission

1 later this year, a plan for how we can add resilience to the system. So currently,  
2 one thing I will tell you about can we do it is what we've seen is the investments  
3 that we've made over the last several years in higher standard infrastructure has  
4 withstood the storms that we've seen. So if you'll look at Hurricane Laura, we had  
5 some -- the Lake Charles transmission project is a good example.

6 **CHAIRMAN BOISSIERE:** Yeah.

7 **MR. DENAULT:** That was the largest transmission project we had ever done.  
8 Went into the Lake Charles area, was rated for 150 mile an hour winds. It took the  
9 brunt of Hurricane Laura and it was not damaged. Whereas, 40 year old  
10 infrastructure within a couple of hundred yards of that -- of those towers was  
11 destroyed given the strength of those winds. And we saw the same thing in Ida  
12 where infrastructure that was newer was not damaged and the older infrastructure  
13 was. So definitely what we've seen is the new infrastructure can withstand the  
14 storms that we're seeing. The question becomes, how do you balance the costs of  
15 replacement and repairing upfront versus storm damage. So currently, everything  
16 we do that is new or everything that we replace after a storm, for example, in Ida,  
17 is set to the new standards. But what we haven't been doing is tearing down  
18 perfectly good infrastructure and replacing it with something new primarily to  
19 balance the costs associated with doing that. If you got a tower that's there that  
20 works, that is passing inspection, then we would have to go in and tear it down and  
21 put up a new one to get to the new standards if that tower is, you know, more than  
22 10 years old. So what we're looking at now is trying to come up with a resilience  
23 plan that would incorporate some of that to make sure that not only when it's new,

1 not only when we replace after a storm, so there's large portions of distribution  
2 infrastructure in Grand Isle that we undergrounded after it was destroyed in Ida.  
3 We believe that there are places where we can do more of it and we go through  
4 where's the most bang for the buck and we would present that to you and get some  
5 level of agreement about how we should pursue it. So absolutely, there are things  
6 we can do and have been doing, but if you believe storms are happening more  
7 frequently and with higher intensity, which it's hard to look at the last couple of  
8 years and not think that there's something there, then that again changes the  
9 calculus about what it's worth to actually go in and make those resiliency  
10 investments.

11 **CHAIRMAN BOISSIERE:** Okay. Well, you mentioned developing a resiliency  
12 plan. Do you have a resiliency plan now?

13 **MR. DENAULT:** We do. We do, but we're looking at different scenarios to be  
14 able to accelerate that plan. So we're not looking at really doing anything different.  
15 We're looking at doing it more quickly.

16 **CHAIRMAN BOISSIERE:** Okay. Well, I look forward to working with you on  
17 those issues because those are big issues in my part of the state, my district is huge.  
18 I represent New Orleans and Baton Rouge and every storm, with exception of Lake  
19 Charles storms, which I -- and Commissioner Francis will tell you, wherever there's  
20 a storm in this state, I go. I go and I meet with people. I work with people and I  
21 meet with the utility companies. I met with your crews on the ground in Lake  
22 Charles when Laura came through and I also went back several other times not  
23 affiliated with the Energy visit and met with the local officials and everyone else

1 even though -- with the blessing, of course, my Commissioner Francis, that's his  
2 district primarily, but I came back with great messages from the people there, the  
3 public there and I've never seen anything as bad as Laura did to Lake Charles with  
4 the exception of the flooding in New Orleans during Katrina. Just devastating, and  
5 so I understand the damages and so we have to find a way to make the systems as  
6 hard as possible so that, you know, this rebuilding thing can be a lot better. So I  
7 look forward to working with you on all those ideas that you had. I've got a few  
8 more questions if you don't mind. They going to vary a little bit, but these are  
9 questions that I don't get a chance to ask you too often. So since I got you here and  
10 now, we're going to go down a little list of questions that I get generally and I think  
11 you're doing great at answering them, but I think it's necessary that I ask them and  
12 you get a chance to answer them. Right now, we're looking at rising fuel costs.  
13 Natural gas prices are spiking for the first time. At the same time, interest rates are  
14 spiking. Whether it's related to or not, economically, we're going through inflation.  
15 Has the company -- or what is the company doing to either protect ratepayers from  
16 a rise in fuel such as natural gas prices and others. At the same time, we're looking  
17 at retiring coal, which is fine, which is great, I think, overall. Not that I don't want  
18 to diversify -- from a fuel mix, I absolutely want that but I want a better fuel mix, a  
19 smarter, wiser fuel mix. So what is the company doing to diversify, especially in  
20 the time of changing fuel, fuels as well as a time of rising costs. Do you have a  
21 plan for that?

22 **MR. DENAULT:** Yes, we do. And as I mentioned earlier, it's a combination of  
23 the existing facilities that we built recently that are highly efficient. The -- the

1 benefit of those new facilities, those new CCGTs like the J. Wayne Leonard plant  
2 and the Lake Charles plant, the benefit to customers now is greater than when they  
3 were constructed given the fact that natural gas prices are higher and the efficiency  
4 of those units is so much greater than the units that they replaced. The growing  
5 renewable footprint will also help in managing -- in diversifying that portfolio away  
6 from natural gas to allow for lower fuel costs because there is no fuel costs  
7 associated with it. That said, we continue to need generation that's flexible, that  
8 can operate for long periods of time without sunshine or without wind and so we  
9 need to continue to develop those. We're also looking at diversifying our fleet into  
10 hydrogen capable assets so that at the end of the day, should be we successful in  
11 developing that technology, we'd have a dual fuel unit that could run on hydrogen  
12 which admits no CO2 emissions when it's running the power plant working on  
13 natural gas if hydrogen wasn't available or if it was more economic to do so. So  
14 we're trying to develop that technology as well. So we're trying to build out as  
15 diversified a fleet as we can to be able to provide the operational characteristics that  
16 the system needs, whether it's long duration storage, short duration storage, peaking  
17 capacity or baseload but also, to diversify that fuel mix so that we're not heavily  
18 dependent on any one kind of technology.

19 **CHAIRMAN BOISSIERE:** All right. And once again, I look forward to us  
20 expanding that some more and spending time on it. You mentioned renewables  
21 just now quite a bit and I'm concerned about your commitment there. Now, that's  
22 -- I want to be excited about the things you just said, about -- like Foster called it,  
23 coming to Jesus, finding religion, with renewables. But my problem with it is, I've

1 been on this Commission for several years, I've been asking for it for a long time  
2 and your commitment has not been there. Not you personally, your company's  
3 commitment. What percentage are your fuel mix right now -- what percent of your  
4 generation is solar or renewable?

5 **MR. DENAULT:** It's very small with numbers, but two percent.

6 **CHAIRMAN BOISSIERE:** Two percent. That's a really disappointing number.  
7 And I might be -- you might be over exaggerating right now. I don't know that you  
8 are, but I'd like to see the two percent. That's very unfortunate because I thought  
9 the company was developing a plan to protect people to be a company that's fluid  
10 and flowing. Foster, we used to -- back when we talked about some of the old  
11 stories and when we used to always ask for renewables and solar and wind to be  
12 part of -- greater part of the fuel mix and you mentioned how they were not for it.  
13 We used to tell the story that Entergy wasn't for solar because they couldn't figure  
14 out how to own the sun yet so -- and what that means is, generally, as long as the  
15 people wanted solar, you weren't for it and now that the company can build solar,  
16 it seems like a good idea. I'm all for that. I'm all for it but the message is changing  
17 and that's what we're saying up here. And it's frustrating for people like myself  
18 and Commissioner Campbell especially and maybe even Commissioner Greene  
19 and others up here who are up here now, but Commissioner Campbell and I have a  
20 longer tenure up here and we've asked and Mark knows this, I meet with Mark  
21 regularly. I sound like a broken record. And for us to even be at two percent is  
22 ridiculous for the amount of requests and I don't make many requests and I'm very  
23 disappointed at your commitment on renewables. It's really -- you're behind the 8-

1 ball right now. I don't know how you're going to diversify from two percent to a  
2 reasonable amount and I don't think the whole fleet should be solar, don't  
3 misunderstand me. It should be part -- a reasonable, reliable part of the fuel mix.  
4 I'm not selling solar, I'm not even selling wind, I'm just calling it renewables in  
5 general, diversification, giving the public what it wants, giving some of the  
6 regulators what they want and having a business model. Foster, you may be asking  
7 why they're coming around. It's not religion, it's money. There's incentives for  
8 this now. The government is committed to it. Has the sun changed in the last few  
9 years? No. The sun is the exact same sun it's always been but suddenly, we can  
10 find a way to put it into our fuel mix and that's what's frustrating me because I've  
11 been asking for it and something should have been done, more things should have  
12 been done in Louisiana. We had a rooftop solar program. And again, that's not the  
13 final answer to anything, it's just part of an answer. And we couldn't even get half  
14 of one percent commitment in this state, or we got that but we never really got there.  
15 And another part that frustrates me is -- and I'm going to -- and I've learned a lot  
16 since being up here so I'm a lot more aware of it. There might be somebody over  
17 here selling us a message at the Commission and I cross the street or go down the  
18 block to the legislature, we've got somebody else doing something totally different  
19 at the legislature, undercutting what we're doing over here. We go -- it's a constant  
20 battle. So I look forward to talking about those things and giving the public what  
21 they're asking us for, you know, we're not monopolies. They change us every  
22 couple of years. Okay. We're in competition on this side of the table. So when  
23 the public says they want things, we have to deliver it. So I'm glad to hear of all

1 the things that are coming, but you're coming from one to two percent. You have  
2 a long way to go to make a dent and I believe you're committed to it. I know I'm  
3 committed to it, I know other Commissioners are committed to it and I believe it  
4 has to be reasonable, sensible, smart and reliable. I don't want you to do anything  
5 that's bad for the people, bad for the company. But this is a easy one that we should  
6 have done a long time ago. I think we're behind the curve and that leads me into  
7 the next part that I want to bring up. I represent a lot of industrial customers in  
8 Louisiana, in my district. I have probably the largest amount of industrials in my  
9 district as well as -- my other Commissioners share other industrials as well, and  
10 I'm constantly being called by them to find ways to bring in more renewables. And  
11 we can talk about that at a near later time but I just want you to know that. There's  
12 a lot of pressure on me, as it should be. And all I can say is, I keep asking. And I  
13 don't -- I think at this point in time, we're at a difficult position where the regulatory  
14 process has to happen. I don't know how you build this stuff fast enough to meet  
15 the desires or the needs. Some of the industrials don't think you can get it done for  
16 them. And fast enough, on their timelines, maybe they should have been asking  
17 sooner, too. But I know I've been asking for a long time. And it's a mixed feeling,  
18 you heard my frustration. Now, I'm going to thank you because we're getting there.  
19 I see, like Foster calls it, finding religion, I see you're turning the tables and I see  
20 that there's some renewables coming and I'm happy and I'm thrilled to see that  
21 because it diversifies our fuel mix. I'll give you a quick story about me. I came on  
22 this Commission 2005, right -- right before Katrina and so I remember -- well, it's  
23 a long process when you get to be a Commissioner in Louisiana. They don't give

1 you an office, you have to go find your own office and then there's a huge process,  
2 I remember, I thought I had it bad but then Commissioner Skrmetta came behind  
3 me, he had it worse than me trying to find an office, I met him in 10 different offices  
4 over two or three years until he finally got a permanent one, but it's very difficult  
5 to find an office. And you have to find your own office, notify the state and it's a  
6 process, it takes months. And I remember, I finally got the keys to my new office  
7 and like the next week, Katrina hit and everything got wiped out all over again so  
8 we had to start from zero. But I say that to say, you know, while I was here, it was  
9 when the beginning of the time when natural gas had become deregulated and it  
10 had gone from two to three bucks from MMBTU --

11 **COMMISSIONER CAMPBELL:** Ten.

12 **CHAIRMAN BOISSIERE:** Then it rose up to 10, 11, it may even spike at a high,  
13 maybe as high as 12 or 13.

14 **COMMISSIONER SKRMETTA:** Fifteen.

15 **CHAIRMAN BOISSIERE:** Fifteen, there you go. And I was a brand new  
16 Commissioner and my phone -- my staff's here, poor Cesily, the phone was ringing  
17 off the hook. We were getting calls, we couldn't do anything about it and we'd say,  
18 hey, why are the bills so high and you'll say, well, we have the lowest bills in the  
19 country. But highest fuel adjustment charge and people don't really care about  
20 rates, they care about the bill and all that adds together to create a bill. So I  
21 remember thinking, okay, I'm a brand new Commissioner. What happened? What  
22 went wrong and we deregulated gas, natural gas and the prices spiked. I said, well,  
23 what were the prices before, two, three bucks for years. And my question was,

1 well, what were the Commissioners doing when the bills are so low that they  
2 couldn't imagine one day that they would rise. They didn't protect the people of  
3 Louisiana, they didn't protect the companies. They didn't diversify when times  
4 were good, but we were scrambling at that point, we were trying to build places  
5 like -- you may remember, places like Little Gypsy was a project. In response, a  
6 reaction response to high gas prices like throwing coal and solid fuels to fix the  
7 problem. And then that project turned topsy-turvy and went upside down and then  
8 we cancelled that one here at the Commission because it wasn't the answer. But  
9 it's because it was -- in my opinion, poor planning because it was reactionary.  
10 When we had 50 years of low prices to do something different. Now, for the last  
11 ten years, we've been here with low -- shortly after that, we found shale gas, prices  
12 of natural gas came way down. We're no longer importing in, we started exporting  
13 in, the times are good. And since that time, I've been fighting for diversification,  
14 fighting for a new fuel mix. What are we doing when times are good to prepare for  
15 when times are not? And here we are. I see things going up again and we're  
16 chasing it, and that's enormously frustrating for me to watch. And if you've been  
17 here at the Commission, you've heard me say this over and over again, so you know  
18 where I stand. My voice and my rhetoric hasn't changed. I just think it makes good  
19 business sense to make good business decisions, and I hope that you find ways to  
20 expand our renewables. And once again, I'm going to be clear, I think that smart  
21 fuel diversity, smart fuel mix and maybe prices there, maybe it was all based upon  
22 price, you know, but the same token, we don't just build one type of power plant.  
23 We build all types. We have a lot of natural gas, but we have nuclear and other

1 things and I'm just saying, you have to diversify, we all know that. I have another  
2 question, but I'll let you speak if you want to answer anything about that, or  
3 whatever you want.

4 **MR. DENAULT:** Well, I agree with you about the diversification and that's why  
5 we're doing it. Obviously, we started down the renewable path before this recent  
6 spike in natural gas prices. The sun hasn't changed, technology has to where  
7 they're more efficient and lower costs as panel prices come down. Obviously,  
8 we're seeing some pressure today because the supply chain issues and global,  
9 geopolitical issues as well, but we think that the technology makes a lot of sense.  
10 As far as religion, I don't want to go through all of the past, but I will say Entergy  
11 was the first utility in the United States to actually voluntarily limit their greenhouse  
12 gas emissions and we've driven it down by the continued operation of our nuclear  
13 fleet as well as transitioning to more efficient gas units and now renewables being  
14 economic to meet a certain portion of, as you said, you can't use it for everything.  
15 We're pursuing that path and it's our intention to actually construct a lot of  
16 renewables between now and 2030. It's a significant part of our fuel mix. As it  
17 relates to your discussions with customers, I'm having the exact same discussions  
18 with our customers, Phillip's having a lot of those discussions. There's a big part  
19 of our interaction, for example, with Sempra when they were locating their new  
20 LNG export train. Not only pricing reliability, but also, renewable footprint and  
21 our ability to help them meet their needs and we see that as very encouraging to be  
22 able to, again, build out a resource plan that meets all of our customers' needs,  
23 which historically, was only reliability and price but now is reliability and price and

1 the attribute of sustainability for them as well so a long winded -- I -- we're on  
2 board with you.

3 **CHAIRMAN BOISSIERE:** All right. Well, that's -- you know, at the end of the  
4 day, that's the answer I want to hear, and I appreciate that and I want to tell you  
5 how much I appreciate you coming around to it. And once again, it's got to be  
6 smart, it's got to be reasonable, it's got to be reliable. Just to touch on something I  
7 mentioned earlier about the industrials potentially building solar, one of the benefits  
8 I see to that is one, we get more renewable in the state one way or another and the  
9 other one is when they do it, they have a tendency not to bill the ratepayers for it.  
10 They're doing it on their own dime and that doesn't cost our ratepayers nothing. It  
11 kind of removes some of the risks, if you will, and some of them really want to do  
12 that and we can spend more time discussing the right way to do that, too. I look  
13 forward to spending time with Entergy and the industrials to figure out the right  
14 way to move forward on some of those ideas. I know Mark and Phillip and I have  
15 spoken about that and we will continue to have that dialogue, it's not really a  
16 question, but just a commitment to work together so that we can do that -- if we are  
17 going to do it, do it the right way that's smart and reasonable. By no means do I  
18 have any intention of hurting Entergy. Once again, I started off by saying this is a  
19 partnership. It's a partnership where the companies are successful and the public  
20 gets good reliable power. There was some other interests, I just wanted to get your  
21 comments on a few things. We're now looking at MISO markets for bringing in  
22 power. We have ideas that some of the utility companies and some of the co-ops  
23 are doing things such as bringing in more market power than they have before. Can

1 you tell me why that may or may not be a good idea, why it might be good or why  
2 it might not be good that some of the fuel mixes of the co-ops have changed to  
3 include more market share power resources?

4 **MR. DENAULT:** Well, it depends. I don't know specifically why you're -- what  
5 you're talking about, but it depends on how it's brought in and where it's going,  
6 what, you know, some of the issues that we've seen with some of those  
7 arrangements would leave nobody planted capacity for a market. And that can  
8 grow into a really bad reliability situation over time. That's actually what we've  
9 seen in some of the restructured markets across the country where there is no  
10 adequate capacity planning like there is in the model that we have here in Louisiana.  
11 When that adequate capacity planning doesn't occur, then you end up with  
12 shortages in extreme temperatures as you've seen that situation in ERCOT and  
13 you've seen that situation in California, there's a potential for that situation in New  
14 England and New York as well given the fact that they don't have the same dynamic  
15 about how capacity is planned that you have in Louisiana, for example, because of  
16 the way you oversee it and if you -- if you do that incorrectly, you can get some  
17 short term games for -- short terms gains for a small amount of customers and the  
18 burden of the long term pain gets on a few. And we -- that's happened -- there's  
19 evidence of that all over the country.

20 **CHAIRMAN BOISSIERE:** I -- I think -- does anybody else have anything to  
21 add?

22 **COMMISSIONER SKRMETTA:** I'd request a 10 minute recess when we're  
23 finished with this docket.

1    **CHAIRMAN BOISSIERE:** Okay. Okay. Well, let me tell you, Leo, Mr.  
2    Denault, thank you for coming by and sitting with us and taking these tough  
3    questions. I had no doubt that you were prepared and knew all the answers. I've  
4    met with you several times myself. The public doesn't get to know that because  
5    they don't see it but you've always been accessible to me, for sure. And I appreciate  
6    you coming here and answering these tough questions because we get them and it's  
7    important that people know that we get to ask some of the utility companies and  
8    that -- and that you have the answers that can justify most of the things that we've  
9    talked about here today to satisfaction or at least give us some room to work. I  
10   completely appreciate you coming here and working with us and I really look  
11   forward to working with us in the future going forward on many of these topics and  
12   others. We have a partnership here at this Commission. We want to work with you  
13   to get -- just be a good partner in Louisiana, give us good, reliable power at the  
14   cheapest price and give us -- and do things that look good. Optics are important  
15   sometimes and we've got to answer some of this, you know, so it's important that  
16   -- it's important that it comes from you directly. I mentioned before that it's a  
17   pleasure for you to be here and I hope that -- if -- I know you've -- and I'm saying  
18   it to the public who may not know, you've met with me several times and I believe  
19   that anytime I needed to talk to you, you were right there but it may be good to  
20   come by the Commission for a different type of meeting in the future where we can  
21   talk and hear some direction and if not the precursor for that, I'd like to close by  
22   asking you to give us your thoughts on going forward in Louisiana, where does --

1 where do you see the company going in the near future and to work with us going  
2 forward. I just want to give you the ability to answer without being questioned.

3 **MR. DENAULT:** Well, I appreciate that and thanks for your comments and thanks  
4 for the opportunity to be here. I have no problem coming here any time and as I've  
5 mentioned at the outset, I've missed the opportunity to meet with all of you the way  
6 we did in the past before the pandemic kind of stopped all of that. I know I've seen  
7 you and Commissioner Francis out in the field after hurricanes. I think I've done  
8 some Zoom calls or whatever, but -- and some phone calls but we haven't had the  
9 opportunity to get together like we normally would. As I mentioned earlier, I do  
10 believe that they -- the future for the state is really strong. I think there's a lot of  
11 opportunity for economic development and I think that that economic develop can  
12 be turned into something that changes not only the game for the prosperity of the  
13 companies that are growing here but also, for the citizens and the communities who  
14 live here, where we all live and work every day. I see a real opportunity for us to  
15 invest on behalf of our customers in things that make them better off, resiliency,  
16 creating a situation where we avoid future storm costs, which will be higher if we  
17 believe in the increased frequency and an increase severity of those storms, so that  
18 resiliency investment, while it is an investment that will create a challenge in the  
19 near term and the long term, people will be better off. The same goes with working  
20 with our customers and with you all on the deployment of our new resources and  
21 the new resource plan and renewables. I think that that is going to help draw new  
22 businesses to the state. You're seeing it in your discussions with customers. I'm  
23 seeing it with mine that that's -- there is a new focus on that from our traditional

1 customers who maybe who weren't as focused on it historically as they were and  
2 now that's an opportunity for us to both improve the reliability and the price side  
3 of the equation while we actually draw in new business which grows the sales level  
4 and as our sales level go up, rates for all of our customers go down so I think we  
5 have a real opportunity to work in partnership, our customers, our communities and  
6 all of you, to be able to make that happen in a way that is -- has a long term view,  
7 not a short term view. You should know that -- I know there's been a lot of talk  
8 about us trading shareholders versus customers. You should know that the mission  
9 of the company, for the last 10 years, has been to create sustainable value for our  
10 customers, our employees, the communities we serve and the people who own the  
11 place without leaving any one of those behind. And it's our objective to make sure  
12 that we focus on that balance at all times because that's the only way we're going  
13 to succeed for the long term, so I appreciate the opportunity to be here and look  
14 forward to -- for future dialogue.

15 **CHAIRMAN BOISSIERE:** And same here. And I just want to add because I'd  
16 be remiss if I didn't, that Mr. Kleehammer and Mr. May work extremely well with  
17 this Commission, works well with me, always accessible and I see them sitting  
18 there by your side and they're good people and they've heard all of these questions  
19 already and we get a chance to give it to them on a regular basis and I -- and I look  
20 forward to you delivering on those things as you said. I look forward to working  
21 with us and you've been a man of your word to me, but I do want to know that with  
22 exception to some of the renewable stuff and things like that I had my rant about, I  
23 look forward to building a better Louisiana with a strong Entergy and a strong

1 power grid that Entergy's a big company in the state, that we can achieve things  
2 together on behalf of the state. Now, we're going to close out but Mr. Campbell  
3 reminded me that he had one more question, so if you will. Mr. Campbell.

4 **COMMISSIONER CAMPBELL:** Just for the record, you drove here today,  
5 right?

6 **MR. DENAULT:** I carpooled with a couple of my colleagues, yes.

7 **COMMISSIONER CAMPBELL:** I'm real glad because if you had told me you  
8 flew up here from New Orleans. I know they've told you don't do that. If you  
9 would have done that, I think this whole deal would have blown up.

10 **MR. DENAULT:** I hope you would give me credit that nobody had to tell me that.

11 **CHAIRMAN BOISSIERE:** He's probably getting Uber back.

12 **COMMISSIONER CAMPBELL:** Well, I just wanted to know, just for the  
13 record, how y'all fly up to Jackson, I think that's crazy. I think y'all have a rule to  
14 say, get in the car. Five dollar gas is cheaper than jet fuel. I have no further  
15 questions. You taking a break?

16 **CHAIRMAN BOISSIERE:** We are going to take a break. Well, thank you very  
17 much for your coming to the Commission. And I thank you for sitting here. I hope  
18 the meeting was professional enough for you and I appreciate all the answers and I  
19 look forward to working with you.

20 **MR. DENAULT:** Thank you.

21 **CHAIRMAN BOISSIERE:** Thank you. At this moment, it's been requested and  
22 we'll take a ten minute break.

23 **[OFF THE RECORD]**

1 **[BACK ON THE RECORD]**

2 **CHAIRMAN BOISSIERE:** Meeting back in order. Let's get everybody -- get to  
3 your seats. Let's roll. Mr. Secretary.

4 **SECRETARY FREY:** Yes, Commissioner. We're going to move around some  
5 of the agenda items. We also had a couple -- there's one executive session that'll  
6 go to the end, Kathryn was going to announce. But also, we're going to take up the  
7 RDOF reports next. I believe we have some people who have time restraints.  
8 Those were part of the reports sections. Exhibit 10, reports. So they're going to  
9 come up next and we've got an order we'll call them up in. Either their application  
10 name or their actual name, so.

11 **MS. BOWMAN:** And also --

12 **CHAIRMAN BOISSIERE:** Okay. So let me get it straight. Are we doing Exhibit  
13 Number 10?

14 **SECRETARY FREY:** Yes. Under Exhibit 10, one is reports, updates from  
15 eligible telecommunication carriers that received funding from RDOF -- Rural  
16 Digital Opportunity Fund. We're going to take those up next, then we'll go back  
17 to the regular agenda.

18 **CHAIRMAN BOISSIERE:** Okay. So we're taking everything out of order right  
19 now and then we'll go back in --

20 **SECRETARY FREY:** Yes.

21 **CHAIRMAN BOISSIERE:** All right.

22 **MS. BOWMAN:** And there's one more housekeeping item on the agenda. There's  
23 a directive under Exhibit 10 by the chairman that's going to be deferred this month.

1 **CHAIRMAN BOISSIERE:** Thanks.

2 **SECRETARY FREY:** Yes.

3 **MS. BOWMAN:** And so, I just forgot to mention that at the beginning.

4 **COMMISSIONER SKRMETTA:** Which one is that?

5 **MS. BOWMAN:** It's under Exhibit 10, it's the only directive under Exhibit 10.

6 **CHAIRMAN BOISSIERE:** It's just deferred. We can talk about it after. I'm not  
7 going to talk about it.

8 **MS. BOWMAN:** I guess technically, 10, 5.

9 **COMMISSIONER SKRMETTA:** Got it.

10 **CHAIRMAN BOISSIERE:** All right. Do we have someone coming up to give  
11 the report?

12 **SECRETARY FREY:** Yeah. I think the first -- I've got the list. The first one is  
13 CableSouth Media subsidiary of Hunt Land Holdings is the first one. And then I  
14 saw -- there's Mr. Hunt right there. So when you come in, just identify yourself,  
15 who you're with and then give your report. And fill out a yellow card and also,  
16 Commissioners, we sent out -- just some general questions, questions we had been  
17 getting from the public and others about kind of where RDOF is. We know a lot  
18 of money was awarded but how much is actually flowed to the companies, how  
19 much they've expended, kind of what their build out plans are in a prepared spaces  
20 and that's kind of the reports we're going to be getting from everyone.

21 **CHAIRMAN BOISSIERE:** Please state your name and who you represent,  
22 please.

23 **MS. BOWMAN:** Yeah, press the little button. There you go.

1 **MR. JASON HUNT:** Jason Hunt, CEO of Cable South.

2 **CHAIRMAN BOISSIERE:** Okay. Mr. Hunt, go right ahead.

3 **MR. HUNT:** So we received four questions from the -- from Mr. Brandon last  
4 week and asked to come and present the answers to those four questions so I'm here  
5 to do that for you. The first question was: Have you received any of the awarded  
6 RDOF funding? Yes. Two months ago, we received the first check of 120 checks  
7 from the FCC RDOF program. To date, we have received approximately \$2.3  
8 million of the 140 some odd million dollars it's going to take to do this project. The  
9 second question he had, what is your respective build out plans. We are currently  
10 working on building the backbone first. If you refer to electric utilities, the  
11 transmission lines if you will, connecting all these parishes together and then we  
12 build the distribution networks off of that as we reach those parishes. Specifically  
13 where will we be starting would be Avoyelles, LaSalle, Allen, Vernon, Concordia  
14 and Catahoula Parishes and then building in somewhat of a ring circle around to  
15 connect all this together and then distribution out to these areas. Have you started  
16 deploying? We're in -- currently in engineering, permitting, and material ordering  
17 stages right now. We actually expect physical construction to start in the fourth  
18 quarter of this year. And then the last question was are -- have we reached out to  
19 local communities regarding a -- I'm in regular communication with both the state  
20 broadband office, all the local communities, their broadband divisions that they've  
21 set up and some of the representatives that wanted to be made aware of the plans,  
22 you know, state reps an what not that have contacted me and we communicate on  
23 a regular basis. They have my cell phone number, they text me on Sundays

1 sometimes and I text them right back. So that was the report and I'll open to any  
2 questions y'all have me.

3 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

4 **COMMISSIONER CAMPBELL:** You're talking about Concordia Parish --

5 **MS. BOWMAN:** Your mic's not on, Commissioner.

6 **COMMISSIONER CAMPBELL:** Are you going to serve Concordia Parish?

7 **MR. HUNT:** The parts of Concordia Parish that we were awarded in the RDOF  
8 program, yes, sir, which were areas in or around the -- there's right when you cross  
9 in from Natchez, but right there around that community, we've won a few of those  
10 census blocks. Majority of that -- of Concordia Parish specifically I believe is  
11 serving by Conexon.

12 **COMMISSIONER CAMPBELL:** Are going to be?

13 **MR. HUNT:** Are going to be, correct.

14 **COMMISSIONER CAMPBELL:** Right. That's with Concordia Rural Electric.

15 **MR. HUNT:** Yes, sir, the areas around Ferriday were the areas where we were  
16 awarded.

17 **COMMISSIONER CAMPBELL:** Okay.

18 **MR. HUNT:** Outside and to the community was more Conexon.

19 **COMMISSIONER CAMPBELL:** Okay. No question.

20 **CHAIRMAN BOISSIERE:** Thank you. Anyone else? Commissioner Skrmetta,  
21 did you have a question?

22 **COMMISSIONER SKRMETTA:** Nope.

23 **CHAIRMAN BOISSIERE:** Okay. I apologize. I thought you did.

1     **SECRETARY FREY:** And that's -- you know, that's kind of the reports.

2     **CHAIRMAN BOISSIERE:** You can [INAUDIBLE] I don't want --

3     **SECRETARY FREY:** Sure. And those are the kind of reports we're asking for.

4     I guess one other thing, too, we didn't ask. If anyone has any hindrances they're

5     seeing that we can help out with, you know, make sure they bring those to our

6     attention, too. If we can help push the feds or whoever, I think we'd be willing to

7     help, so.

8     **CHAIRMAN BOISSIERE:** Okay. Excellent.

9     **SECRETARY FREY:** I think I might have -- okay.

10    **MR. HUNT:** I really don't want to make this meeting go any longer than it already

11    has, but if I could put one thing.

12    **COMMISSIONER SKRMETTA:** Sure. Absolutely.

13    **MR. HUNT:** Pole attachment rules in Louisiana are governed by you guys. In

14    many of the other states, they follow federal pole attachment rules. If Louisiana

15    could adopt some of the federal OTMR rules, it would greatly assist in the speed of

16    which we can go about building these networks. That's it.

17    **CHAIRMAN BOISSIERE:** Great point. You got that one?

18    **SECRETARY FREY:** Got it.

19    **CHAIRMAN BOISSIERE:** Let's talk about it. Let's see what we can do. Thank

20    you so much.

21    **MR. HUNT:** Thank y'all.

22    **CHAIRMAN BOISSIERE:** Appreciate the report. Next, who's next on the list?

1   **SECRETARY FREY:** The next one is -- it was -- the application was Rural  
2   Electric Cooperative Consortium, which is Southwest Arkansas Telecom/Conexon  
3   Connect.

4   **COMMISSIONER CAMPBELL:** Which number is that?

5   **SECRETARY FREY:** That's -- we've got Gordon, and Jeff and Luke, I guess  
6   y'all will do y'all piece separate, that y'all -- yeah.

7   **MR. GORDON POLOZOLA:** Good morning, Commissioners. Gordon Polozola  
8   with Kean Miller on behalf of Conexon and Southwest Arkansas  
9   Telecommunications.

10   **CHAIRMAN BOISSIERE:** State your name and your company and please give  
11   us your report, Mr. Gordon.

12   **MR. POLOZOLA:** Thank you, Commissioner. So Conexon Connect began  
13   receiving distributions in December of 2022 -- 2021 of approximately \$900,000 per  
14   month, and as was previously stated, that's going to be a check over a 10 year  
15   period, a monthly distribution. Southwest Arkansas Telecommunications which is  
16   doing business as Four States Fiber also began receiving distributions in February  
17   of 2022 of approximately \$48,000 per month. All of this information, actually, as  
18   far as who's getting distributions, when they started, and the amounts can all be  
19   found on a public USAC website that I'm happy to share with the Secretary so that  
20   anybody can check it at any time. As far as the respective build out plans, we do  
21   file our build out plans with the Commission as part of our periodic reports. A lot  
22   of it is somewhat confidential, but as build outs are getting closer, they do make  
23   announcements like Conexon with Volt Broadband that was approved by the

1 Commission last month. That announcement was made, and upon the approval of  
2 the Commission of that application by Volt, Conexon immediately started  
3 construction, so they've begun construction and have really worked with -- they  
4 worked through electric cooperatives almost exclusively, so they've been talking  
5 with electric cooperatives on the build out plans since the termination of the quiet  
6 period. Four States Fiber, they've not made any public announcements on their  
7 build out plans but I've gotten a report from them, they've issued requests for  
8 quotes for engineering of 1,000 miles of fiber recently. They hope to start  
9 construction by the end of the year or the first quarter of 2023, and they'll also be  
10 building their back haul fiber network, are in the engineering and RFQ stage at this  
11 point. So they're really in these initial design engineering, Conexon has started  
12 construction but that's really where they are, so they haven't , obviously, started  
13 deploying the services quite yet. They are ahead of their schedule. I mean, just for  
14 the information of the Commission, if you receive funds in December of 2022, for  
15 example, 40 percent of your locations have to be built out by -- in 3 years, 60  
16 percent in 4 years, 80 percent in 5 years, 100 percent in 6 years, and so on, so they  
17 are ahead of their RDOF requirement schedules. As far as reaching out in the  
18 communities, yes, both of them are out in the communities. Conexon has had  
19 many, many discussions and meetings and calls with local communities and the  
20 cooperatives in their area. They're working with parish officials and the state  
21 broadband planning offices as well. They've assisted in certain parishes submitting  
22 GUMBO applications for areas outside the RDOF so they're -- not only are they  
23 working the areas where they received RDOF support, but they're also trying to

1 work with the state GUMBO broadband plan and helping areas outside of that as  
2 well to get that entire area built out. And they've also worked with the Jena  
3 Choctaw Tribe for the NTIA Tribal Program, so they're definitely really trying to  
4 get out in the community and not only help in the co-op areas, but outside of their  
5 areas. Four States Fiber, again, they're gathering information I would say at this  
6 point, as far as the communities and subscribers that they're working in, so they're  
7 more in their engineering and design stage. And that's our report, so.

8 **CHAIRMAN BOISSIERE:** Any questions, gentlemen? Thank you, Mr. -- wait,  
9 wait. Commissioner Francis.

10 **COMMISSIONER FRANCIS:** How do we know they're on schedule? Who's  
11 watching them and making sure that we're -- they've got 40 percent of it done? Is  
12 that kind of self-policing?

13 **MR. POLOZOLA:** Well, certainly as part of the grant process, they're required  
14 to have, like I said, 40 percent of their subscribers built out --

15 **COMMISSIONER FRANCIS:** But who verifies that it is been done?

16 **MR. POLOZOLA:** Well, if they don't do it, there are consequences. There's  
17 claw back requirements, they may have to refund money if they don't do it. But  
18 like I said, the Commission, as part of RETC and --

19 **COMMISSIONER FRANCIS:** That's the Commission's responsibility to check  
20 on them, make sure they're on time?

21 **MR. POLOZOLA:** Well, it's certainly one of the things that the Commission has  
22 required us to do, we will file periodic reports on our build out plans, so you'll have  
23 updates all along the way. I think we file them every six months, so we'll keep

1 y'all in the loop on our build out plans. And certainly if you see someone falling  
2 behind --

3 **COMMISSIONER FRANCIS:** So if you get behind because of the rainy weather  
4 or something like that, you get to come in and say we're not quite there, just kind  
5 of give us an updated report?

6 **MR. POLOZOLA:** Yeah, we file written reports with the Staff --

7 **COMMISSIONER FRANCIS:** So if we don't hear anything, we can assume  
8 you're on schedule and --

9 **MR. POLOZOLA:** Well, we certainly -- we would certainly come to the  
10 Commission and let you know if we see any problems. Right now, we're definitely  
11 ahead of our schedule.

12 **COMMISSIONER FRANCIS:** Did you get disbursements according to timelines  
13 that -- if you're going to take the money, get that disbursement, that means you  
14 have completed that much of your work, then, right?

15 **MR. POLOZOLA:** Well, it's equal 120 payments, equal installments over 10  
16 years, but yeah, there are certain monetary security that we have to put up with  
17 USAC and we have to update them as far as us meeting our construction plans, and  
18 if we don't, there's consequences to it.

19 **COMMISSIONER FRANCIS:** Would you say the Commission's kind of the  
20 reliability police, we're watching over it, we've approved it, so we're watching to  
21 make sure it's going on a timely schedule?

1 **MR. POLOZOLA:** Well, it's a shared responsibility. I mean, we file reports both  
2 with [INAUDIBLE] and USAC and this Commission, so we're happy to keep both  
3 Commissions updated as far as our plans.

4 **COMMISSIONER FRANCIS:** Chairman, we -- do we just take them at their  
5 word? We don't have anybody looking [INAUDIBLE] so to speak.

6 **SECRETARY FREY:** There are filings, as Gordon alluded to, that they have to  
7 make with us. There's another component, too, that they have to certify, is any type  
8 of universal service funds, that the funds they have received --

9 **COMMISSIONER FRANCIS:** Okay. So they're under --

10 **SECRETARY FREY:** Yes.

11 **COMMISSIONER FRANCIS:** That's some penitentiary stuff if you don't do it  
12 right. Okay. All right. I got you. All right.

13 **SECRETARY FREY:** FCC jail, maybe, I don't know, USAC jail.

14 **COMMISSIONER SKRMETTA:** It's federal money.

15 **SECRETARY FREY:** It is federal money.

16 **MR. POLOZOLA:** No, you're right, there are reports that we file --

17 **COMMISSIONER FRANCIS:** That's probably enough to scare them to doing  
18 the right thing.

19 **MR. POLOZOLA:** Yes, sir.

20 **COMMISSIONER FRANCIS:** Okay. All right. Got you. Thank you.

21 **CHAIRMAN BOISSIERE:** Anyone else? Thank you, sir.

22 **MR. POLOZOLA:** Thank you.

1    **SECRETARY FREY:** Next we've got Charter. I know Brent's here and I think  
2    maybe Rob. And then Starlink will be after that, if y'all want to get ready, and then  
3    Century after that.

4    **MR. BRENT GOLLEHER:** All right. Good morning, Commissioners. Thank  
5    y'all for the opportunity to be here today. I will follow suit and kind of follow the  
6    same pattern, just answering each question and going from there. First question,  
7    have you received --

8    **MS. BOWMAN:** Brent, will you please introduce yourself?

9    **MR. GOLLEHER:** I'm sorry. My name is Brent Golleher, senior manager of  
10   government affairs with Charter Communications. The first question, have you  
11   received any of the awarded RDOF funding? On March 15<sup>th</sup> of this year, the FCC  
12   authorized us to begin receiving RDOF support. To date, that has been \$400,000  
13   that started a few months ago. Let's see. Our respect to build out plans per parish,  
14   we have received funding and started construction in the following parishes:  
15   Acadia, Evangeline, Jefferson Davis, Livingston, St. Helena, St. Landry, St.  
16   Tammany, Tangipahoa, and Washington. A few of walkouts and design have either  
17   started or are completed in all the locations and permits have been submitted. To  
18   date, we -- as a result of the build out, we've had over 2,000 residential locations  
19   that have been activated here in Louisiana here already. And as far as the local  
20   outreach, we've made contacts with all of the officials in all of the communities  
21   and are still working the process of trying to reach out to some of the communities  
22   that we've had trouble connecting with. That's a good story, and I'm happy to  
23   answer any questions.

1 **COMMISSIONER FRANCIS:** Yeah, I've got a question for you.

2 **MR. GOLLEHER:** Yes, sir.

3 **COMMISSIONER FRANCIS:** Over in Jeff Davis Parish, I have one of the  
4 people that I represent there that they need to drill under a road to get a line, and  
5 they got a quote from CenturyLink who is in that area. And if you do that instead  
6 of CenturyLink, what would be the cost to the customer? Is that all part of the cost  
7 of putting in a facility? Would the customer have to pay to drill under the road?

8 **MR. GOLLEHER:** I would have to see the specifics of whatever the customer --

9 **COMMISSIONER FRANCIS:** Okay. All right. Sorry to put you on the spot.  
10 You can get with me [INAUDIBLE].

11 **MR. GOLLEHER:** Yeah, I'd be happy to talk offline, sir.

12 **COMMISSIONER FRANCIS:** All right. Good. That's good.

13 **SECRETARY FREY:** Okay. So --

14 **MS. BOWMAN:** Any other questions?

15 **SECRETARY FREY:** Okay. And by the way, we did these in order of largest  
16 recipients to smallest, that's the breakdown. SpaceX filed a written report to us,  
17 we can read into the record on that one, and I will copy that for y'all. I don't think  
18 they've received any funding yet, so there's no report to get from them.  
19 CenturyLink would be next, so I'm going to let -- there's Melissa. And then  
20 following that will be -- Nextlink also submitted a written report, so we'll read that  
21 one. Following that will be Nextier.

22 **MS. MELISSA MANN:** Good morning, Commissioners. Melissa Mann on  
23 behalf --

1 **MS. BOWMAN:** Melissa, hit the button, and fill out a yellow card when you get  
2 done, please. Thank you.

3 **MS. MANN:** Melissa Mann with Lumen Technologies operating as CenturyLink.  
4 We did just get through the long form process. So as you know, how this works,  
5 we were awarded bids and then there's an extensive vetting process that you go  
6 through and there wasn't necessarily a lot of rhyme or reason in the timing, but  
7 Lumen was just awarded our ready to authorize public notice on May 12<sup>th</sup>, so we  
8 have not yet received funding under the RDOF program. In the midst of this, as  
9 you know, this Commission just approved a transaction with Brightspeed Apollo  
10 Global Management, who will be assuming our RDOF obligations here in the state  
11 of Louisiana. We are working hand in hand with them during that transition to  
12 ensure that the RDOF build is not delayed at all due to that transaction. So work is  
13 already underway. We have plans to begin work in Bienville Parish, in Avoyelles,  
14 within the end of 2022, and then obviously we'll -- the 40 percent threshold within  
15 the first 3 years, the plan is to be well ahead of that. In working closely with  
16 Brightspeed, they've got vendors lined up. I think the biggest jeopardy for RDOF  
17 is going to be, as you see across the country right now, supply chain issues. They  
18 have worked aggressively with their vendor partners to ensure that they have the  
19 fiber and equipment necessary to accelerate their build timeline. Happy to answer  
20 any other questions that you might have about that process and where we are.

21 **CHAIRMAN BOISSIERE:** Any commissioners? Commissioner Francis?

22 **COMMISSIONER FRANCIS:** Where is the fiber being manufactured?

23 **MS. MANN:** Well, there's --

1 **COMMISSIONER FRANCIS:** Hope it's not China.

2 **MS. MANN:** No. And there's a lot of conversations happening at the federal level  
3 around that right now to ensure that we have a secure supply chain to deliver fiber,  
4 but no, there are a lot of locations that are prohibited for sourcing this equipment,  
5 one of those is China, so.

6 **CHAIRMAN BOISSIERE:** Thank you very much.

7 **MS. MANN:** Thank you.

8 **CHAIRMAN BOISSIERE:** Appreciate your report.

9 **SECRETARY FREY:** Okay. We'll jump -- Rob, I'm going to call you up because  
10 you've got three: Nextier, Allen's TV, and the Altice USA, so you can knock all  
11 three of those out.

12 **MR. ROB RIEGER:** Good morning, Commissioners, Mr. Chairman, members.  
13 I'm Rob Rieger, I practice law at Adams and Reese and I will give the reports for  
14 Allen's and Seabridge and we can get a look at Nexttier also. First for Allen's  
15 Communications, that's a Louisiana home grown cable communication company.  
16 They have money for 620 locations within Louisiana in three different parishes,  
17 very rural, in St. Landry, upper St. Martin, and a smidgen of Iberville Parish near  
18 the Sherman Wildlife management area. They're going to serve that rural area  
19 down up in there. They have begun to receive money. To date, they received about  
20 \$24,000, roughly 3,000 a month. They are going to install all of theirs underground,  
21 that was a business decision they made to basically -- they thought to give a little  
22 better reliability with regard to infrastructure deployment, that was the decision  
23 they made and they're sticking with it. They have not turned on anybody yet, they

1 have run into a problem with fiber availability, the supply chain stuff that we talked  
2 about for the last couple of years. As soon as the fiber becomes available, they will  
3 get it deployed. Again, Greg Price in the Price family, three generations at Allen's  
4 Communications, they're Louisiana proud, and Mr. Greg and his family are in the  
5 field as we speak working on these sorts of projects. They have also applied for  
6 GUMBO money in the same parishes and a couple of other parishes as well, and  
7 we hope to get positive news on that as well. And I'm happy to take any questions  
8 about --

9 **COMMISSIONER FRANCIS:** Where's Allen located?

10 **MR. RIEGER:** They're out of Morgan City, originally.

11 **COMMISSIONER FRANCIS:** Morgan City?

12 **MR. RIEGER:** Yeah, and they stretch kind of along 90 and then -- around  
13 Highway 190 around Port Barre and parts of St. Pope and parts of St. Mary.

14 **COMMISSIONER FRANCIS:** Yeah, Commissioner Greene donated St. Mary  
15 to me. We did a little horse trading. I gave Commissioner Campbell Catahoula  
16 and Sabine. So how about [INAUDIBLE] Crowley, you still represent them or  
17 [INAUDIBLE]?

18 **MR. RIEGER:** Yes, sir. They have filed the report in the record, they have begun  
19 deployment there, only in Acadia Parish, that was the one place they received a  
20 grant. I cannot remember how many folks they tend to get, but they are another  
21 pretty -- a savvy Louisiana home grown company that is going at it very hard in  
22 that area, yeah.

23 **COMMISSIONER FRANCIS:** So Allen's is in Morgan City?

1 **MR. RIEGER:** They're in Morgan City, yes, sir.

2 **COMMISSIONER FRANCIS:** Is that their first name -- their last name, Allen?

3 **MR. RIEGER:** Allen's. Well, it was the name of the family. The Price family is

4 the folks who --

5 **COMMISSIONER FRANCIS:** Right. Okay.

6 **MR. RIEGER:** Yes, Greg Price and his wife, Ginger, and their family.

7 **COMMISSIONER FRANCIS:** I need to look them up next time we go down that

8 way, introduce myself.

9 **MR. RIEGER:** We'd love for you to come and visit, absolutely.

10 **COMMISSIONER FRANCIS:** Okay.

11 **MR. RIEGER:** So that's Allen's, if there's any other questions for them. For

12 Seabridge, which is also Altice or Suddenlink, they have not received any funding.

13 They are roughly due for about 300,000. They will be -- when -- they're doing all

14 their run up, so as soon as the money comes in, they'll be ready to begin right away.

15 They have about 2,200 locations throughout Louisiana in some very rural locations,

16 Morganville and Avoyelles, Sibley and Bossier, Iowa in Calcasieu, and around

17 there and parts of Iberia -- New Iberia and I think Four Corners and some other

18 areas.

19 **COMMISSIONER FRANCIS:** That's all my -- all my real estate.

20 **MR. RIEGER:** That's part of yours, too. Lecompte in Rapides and also Many in

21 Sabine.

22 **COMMISSIONER FRANCIS:** Many.

1 **MR. RIEGER:** Yes, sir. Exactly. Again, they are all, both companies, and  
2 [INAUDIBLE] all in track to hit all the various milestones and they will follow the  
3 reporting requirements that the Commission has and the other folks as well.

4 **COMMISSIONER FRANCIS:** Okay. Thank you, Rob.

5 **CHAIRMAN BOISSIERE:** Thank you, Rob.

6 **COMMISSIONER SKRMETTA:** Thank you, Rob.

7 **SECRETARY FREY:** Okay. And we've got two more left. We've got Volt,  
8 which is Claiborne. We heard quite a bit from them last month. Luke -- I think  
9 Luke might have a short update on the numbers he gave us last month. And then  
10 the last one is Cox, unless I missed someone. If someone I missed, come up after  
11 that. So it'll be Luke and then Cox.

12 **MR. LUKE PIONTEK:** Good morning, Chairman Boissiere. I think it's still  
13 morning, barely. Chairman Boissiere, Commissioners, thank you for allowing me  
14 to speak today. My name is Luke Piontek, I represent Northeast Louisiana Power  
15 Cooperative and its subsidiary, Volt Broadband. Volt has started receiving RDOF  
16 money. Volt, as you might recall, we gave an extensive report last month at the  
17 B&E on the order of the re-authorization of the borrowing, so I won't re-cover any  
18 of that ground, but I'll give you a quick update. We did start receiving RDOF  
19 money. We won about 1.3 million in total. They dole that out in equal installments  
20 every month for 10 years, so we got our first installment in January of about  
21 \$10,696. To date, we've gotten a little under \$43,000 in RDOF money. We have  
22 partnered with Conexon on a turnkey project, so Conexon is handling the  
23 construction for us, they're handling the hiring of the contractor, the ordering of the

1 equipment and all that. We are in the midst of make-ready engineering. We've  
2 engineered 250 miles of line. We're in the middle of make-ready construction as  
3 well. We've done make-ready construction on 175 miles of line. With respect to  
4 our construction plan, we're going to start building in Bastrop and Log Cabin and  
5 build out from there. With respect to whom we have met with from the community,  
6 Volt representatives have met with Morehouse Parish police jury, the mayor of the  
7 city of Bastrop, the Madison Parish police jury, the mayor of Tallulah, Richland  
8 Parish Chamber of Commerce, Franklin Parish police jury, the mayor of  
9 Winnsboro, and the Interfaith group in East Carroll Parish. We serve parts of seven  
10 parishes: That's Franklin, Tensas, Madison, Morehouse, Richland, and East and  
11 West Carroll. We expect construction to start on the system June 1, and we expect  
12 to have our first customer lit up July 1.

13 **COMMISSIONER FRANCIS:** That's all your area, yeah?

14 **COMMISSIONER CAMPBELL:** Yeah. Hey, let me say something.

15 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

16 **COMMISSIONER CAMPBELL:** I forgot to make this announcement.

17 **MS. BOWMAN:** Commissioner, your mic please.

18 **COMMISSIONER CAMPBELL:** I said I forgot to mention this the first. The  
19 lady that worked for me in Monroe just got elected mayor of Winnsboro, so she's  
20 one of our old employees, so Luke, you'll be talking to Alice Wallace. Fine lady.  
21 She came in and said look, I want to run for mayor. I said, well, that's great. She  
22 said, well how about giving me leave. And so I gave her leave, we didn't pay her  
23 anything. And it was six or seven opponents, and that lady ran first out of six, and

1 now she's a young woman, smart, and worked for us, and did a good job, so she's  
2 the new mayor of Winnsboro. And she's a fine lady, smart as heck, and will do a  
3 good job. So when y'all go to Winnsboro, go by to see her.

4 **COMMISSIONER FRANCIS:** You were her mentor, huh? Okay.

5 **MR. PIONTEK:** Thank you, Commissioners.

6 **COMMISSIONER FRANCIS:** Luke, those -- quick question. Are those lines  
7 going to be all on poles?

8 **MR. PIONTEK:** Yes, sir. Yes, sir.

9 **COMMISSIONER FRANCIS:** Okay. Have you got to negotiate with whoever  
10 owns the pole?

11 **MR. PIONTEK:** They'll all be on Northeast poles, so there will be a contract  
12 between Volt and Northeast where Volt pays to lease the poles.

13 **COMMISSIONER FRANCIS:** Is that a PSC rule --

14 **SECRETARY FREY:** It is.

15 **COMMISSIONER FRANCIS:** -- we get X number of dollars for a pole  
16 attachment?

17 **SECRETARY FREY:** Not necessarily. It's a -- there's a formula that's included  
18 in our pole attachment rates that -- one for IOUs, one for co-ops, and one for like  
19 an FCC-based telecom formula, but it's based on inputs from each individual  
20 company, so depending on what the cost of poles are in their rate base and their  
21 individual cost, it could -- there's variance. So it's a rate based on a formula we  
22 set, but it's not a standard rate, is the best way to answer it.

1 **COMMISSIONER FRANCIS:** So that's whatever those pole attachments are,  
2 that money will flow back to the ratepayers, right?  
3 **MR. PIONTEK:** Yes, sir.  
4 **SECRETARY FREY:** Yes.  
5 **COMMISSIONER FRANCIS:** And help them on their electric bills.  
6 **MR. PIONTEK:** Yes, sir.  
7 **COMMISSIONER FRANCIS:** So we want to make sure we get a fair price. Is  
8 that your job, to kind of make sure they get it done right?  
9 **MR. PIONTEK:** We are required to treat Volt, the subsidiary, just like we treat  
10 anybody else trying to attach to our poles.  
11 **COMMISSIONER FRANCIS:** Okay. Good. Thank you.  
12 **MR. PIONTEK:** Any other questions?  
13 **CHAIRMAN BOISSIERE:** Thank you, Luke.  
14 **MR. PIONTEK:** Thank you  
15 **CHAIRMAN BOISSIERE:** All right. Next, please.  
16 **SECRETARY FREY:** And then last we have Jamie's here for Cox. And if, like  
17 I said, if I missed anyone, come on up. Otherwise, this is the last one.  
18 **MS. JAMIE WATTS:** Good afternoon, Commissioners. Jamie Watts with the  
19 Long Law Firm on behalf of Cox Louisiana Telecom. And with respect to the  
20 questions posed by your Staff in the letter last week regarding whether Cox has  
21 received any of the RDOF funding to which -- that it's been awarded, to date Cox  
22 has received \$34,060 in RDOF funding, and that covers the period October '21  
23 through April of 2022. And Cox receives this funding at a consistent level each

1 month, approximately \$4,800 a month, and Cox expects to receive a total amount  
2 of \$601,413 over the ten year RDOF support term. Cox's build out plan is currently  
3 under development. The RDOF program requires Cox to serve 40 percent of the  
4 eligible households in its service area by the year -- by the end of 2024. For those  
5 households that have been confirmed for participation, the earliest construction is  
6 expected to start in the first quarter of 2024, with anticipated service to commence  
7 in the second quarter of 2024. That rollout will continue, likewise, in 2025 and  
8 2026 with all service to be online by the end of 2026. Cox has received funding for  
9 households located in Jefferson, Orleans, and St. Charles Parishes. The supported  
10 broadband has not yet been deployed while the build out program is under -- the  
11 build out system is under development. And specifically with the number of  
12 households that Cox has received funding or will receive funding for, it's a total  
13 358 in its territory in Louisiana; 108 of those households are in Jefferson Parish;  
14 171 in Orleans Parish; and 79 in St. Charles Parish. And no local outreach has  
15 occurred yet, pending refinement of the build out plan.

16 **COMMISSIONER FRANCIS:** So they're going to have to still decide whether  
17 they want to take the service or not; is that right?

18 **MS. WATTS:** That's correct, the individual customers have the option to accept  
19 the service.

20 **COMMISSIONER FRANCIS:** Okay. All right.

21 **MS. WATTS:** Any other questions?

22 **CHAIRMAN BOISSIERE:** Commissioner Francis, any questions?

23 **COMMISSIONER FRANCIS:** I'm through.

1 **CHAIRMAN BOISSIERE:** Thank you, Jamie.

2 **MS. WATTS:** Thank you.

3 **MS. BOWMAN:** Okay. We will go back to Exhibit Number 2. And Exhibit

4 Number --

5 **CHAIRMAN BOISSIERE:** Are we doing Number 2 or are we going -- have we

6 done Number 1, announcements, already?

7 **MS. BOWMAN:** Exhibit 1 is announcements, unless there's additional

8 announcements.

9 **CHAIRMAN BOISSIERE:** Okay. Let's see. Are we going to go back to 10 at

10 any time?

11 **MS. BOWMAN:** Yes, sir.

12 **CHAIRMAN BOISSIERE:** Okay.

13 **SECRETARY FREY:** Yes.

14 **CHAIRMAN BOISSIERE:** Let's take Number 2 up.

15 **MS. BOWMAN:** Okay. Exhibit Number 2 is Docket Number U-35131. It's

16 Louisiana Public Service Commission's investigative audit into the managerial and

17 financial activities of Dixie Electric Membership Corporation. It's a discussion and

18 possible vote on joint report and draft order. On February 19, 2019, the

19 Commission initiated an audit of DEMCO's operating system, managerial

20 activities, and accounting practices based on a 2018 audit of DEMCO by

21 Postlethwaite & Netterville. After conducting the audit, Staff filed its audit report

22 on December 1, 2021, which was published in the Commission's Official Bulletin

23 with no interventions received. Staff's audit report indicated that, generally,

1 DEMCO had made progress based on the recommendations included within the  
2 2018 P&N audit, which included: Re-evaluating and defining the roles and  
3 responsibilities of the Board of Directors; improving the organizational culture; and  
4 updating the employee and Board Member policies, including those for gift  
5 reporting and purchasing. And while Staff noted progress was made since the audit,  
6 Staff made additional recommendations highlighting areas where DEMCO can  
7 continue to improve. Staff recommendations included that DEMCO should require  
8 minimum annual training for its Board Members, draft and adopt formal detailed  
9 procedures for key operational functions of the cooperative, implement more cross-  
10 training of personnel, and that the Commission should conduct a follow-up audit in  
11 2024 to determine the outcome of DEMCO's implementation of this updated  
12 strategic plan and Staff's recommendations. DEMCO filed correspondence  
13 February 1, 2022 indicating it did not oppose Staff's audit report. Therefore, Staff  
14 recommends that the Commission require DEMCO to submit to a follow-up audit  
15 in 2024.

16 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

17 **CHAIRMAN BOISSIERE:** Okay. Moved by Commissioner Greene to accept  
18 Staff recommendation. Second by the chair. Any opposition? [NONE HEARD]  
19 Hearing none, so ordered. Next item, please.

20 **MS. BOWMAN:** Next item is Exhibit Number 3, which is Docket Number U-  
21 36129. This is Southwest Louisiana Electric Membership Corporation's  
22 supplemental and restated application for recovery in rates of storm damage costs  
23 incurred as a result of Hurricanes Laura and Delta and for recovery of costs incurred

1 in preparation for Hurricane Ida. This is a discussion and possible vote on an  
2 uncontested stipulated settlement. On August 10, 2021, SLEMCO filed its  
3 application for recovery in rates of storm damage costs incurred as a result of  
4 Hurricanes Laura and Delta. Notice of the application was published in the  
5 Commission's Bulletin, with no interventions filed. On November 5, 2021,  
6 SLEMCO filed its supplemental and restated application to include recovery of  
7 costs incurred in preparation of Hurricane Ida. The supplemental application was  
8 also published in the Commission's Official Bulletin with no interventions filed.  
9 Following discovery on SLEMCO's application and accompanying testimony,  
10 SLEMCO and the Commission Staff reached an agreement, and executed an  
11 uncontested stipulated settlement, which was filed into the record on April 19,  
12 2022. The major terms of the settlement are as follows: SLEMCO is authorized to  
13 implement a Line Item Charge for 24 months recovering approximately  
14 \$8,668,737; SLEMCO shall also provide semi-annual updates into this docket  
15 informing the Commission of the total revenue recovered and the remaining  
16 balances of each of the regulatory assets; and SLEMCO is also required to notify  
17 its customers of the impending rate change through a bill insert within 30 days of  
18 the Commission's order in this proceeding. As there are no unresolved issues, Staff  
19 recommends that the Commission approve the uncontested stipulated settlement  
20 filed into the record of April 19, 2022.

21 **COMMISSIONER GREENE:** I motion to accept Staff recommendation with a  
22 slight amendment. Kathryn, can you read the amendment?

23 **CHAIRMAN BOISSIERE:** Hold on. Let me get you on the mic.

1 **COMMISSIONER GREENE:** I motion to accept Staff recommendation with a  
2 minor amendment. Kathryn, can you read the amendment?

3 **MS. BOWMAN:** I can. Commissioner Greene moves that we accept the  
4 uncontested stipulated settlement with the following modifications: That the rates  
5 authorized in this proceeding begin on August 1, 2022 and end on August 31, 2024;  
6 and that SLEMCO shall notify customers of the impending rate change through a  
7 bill insert within 60 days of the Commission's order in this proceeding.

8 **CHAIRMAN BOISSIERE:** So moved by Commissioner Greene. Second by  
9 Commissioner Campbell. Any opposition? [NONE HEARD] Hearing none, so  
10 ordered. Next, please.

11 **MS. BOWMAN:** Exhibit Number 4 is Docket Number U-36301. This is Atmos  
12 Energy Corporation's amended application requesting the creation of an  
13 infrastructure expansion program for Atmos Energy Corporation's Louisiana  
14 Regulatory Division. It's a discussion and possible vote to retain an outside  
15 consultant. And on March 2, 2022, Atmos filed an application with the  
16 Commission seeking authorization to implement a 5-year infrastructure expansion  
17 program. Staff issued an RFP seeking the assistance of an outside consultant and  
18 received one bid. And that bid was from United Professionals Company of 159,000  
19 in fees and 6,000 in expenses for a total budget not to exceed of \$165,000. And  
20 Staff makes no recommendation, as the sole bidder is qualified.

21 **COMMISSIONER GREENE:** Motion to accept sole bid.

22 **COMMISSIONER CAMPBELL:** Yeah. Here we go again.

1 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene. Is that a second  
2 by Commissioner Campbell?

3 **COMMISSIONER CAMPBELL:** Yeah, but I hear we're back down to one bid.

4 **COMMISSIONER FRANCIS:** You said they're qualified, UPC? Okay.

5 **MS. BOWMAN:** I believe they are, yes.

6 **CHAIRMAN BOISSIERE:** Any opposition? [NONE HEARD] All right. So  
7 approved.

8 **MS. BOWMAN:** And a second by Commissioner Campbell?

9 **CHAIRMAN BOISSIERE:** Yeah, a second by Commissioner Campbell, I think  
10 it was, yeah.

11 **MS. BOWMAN:** Okay. Just checking. Thank you. Exhibit Number 5 is Docket  
12 Number U-36339. This is South Louisiana Electric Cooperative Association's  
13 request for interim and final emergency rate relief. It's a discussion and possible  
14 vote on the interim rate increase pursuant to Rule 57, at the request of  
15 Commissioner Greene, so this will need two votes. On April 20, 2022, SLECA  
16 filed an application for interim and final emergency rate relief with the Commission  
17 and in that application, SLECA indicated that the 2021 Atlantic hurricane season,  
18 and specifically Hurricane Ida, resulted in severe and direct impacts to its service  
19 territory. In order to fund system restoration efforts arising from this storm damage,  
20 SLECA had to obtain an emergency line of credit from its supplemental lender, CFC.  
21 SLECA further indicates that without its requested interim rate relief, the co-op  
22 would not be able to recover a sufficient amount to service its debt obligations prior  
23 to the completion of the underlying rate case in this docket. In the application,

1 SLECA did not specifically indicate the amount of interim rate relief that it was  
2 seeking. However, subsequent to the filing, counsel for SLECA clarified that for  
3 the interim rate relief, SLECA is seeking 80 percent of the total requested rate relief,  
4 or 6.92 mills. Should this interim rate increase be approved, the monthly bill for a  
5 typical residential customer using 1,000 kilowatts would increase by \$6.92. The  
6 company proposes to continue to charge the interim rate until a final, permanent  
7 rate is established in this proceeding. Staff recommends that the Commission  
8 exercise its original and primary jurisdiction under Rule 57 to consider SLECA's  
9 request. And while Staff makes no formal recommendation regarding the interim  
10 rate increase, Staff does note that pursuant to the applicable law, any interim  
11 increase should be subject to refund and applicable bonding requirements.  
12 Therefore, if SLECA's request is approved, Staff would recommend that: 1)  
13 SLECA be required to file proof of the applicable bonding requirements with the  
14 Commission; 2) SLECA be required to file an updated tariff indicating the interim  
15 rate, and its terms, with the Utilities Division within 30 days of the order approving  
16 such rate; and, 3) SLECA cannot begin charging the interim rate until proof of the  
17 applicable bonding requirements and an updated tariff have been provided to, and  
18 approved by, Staff. And I have a motion by Commissioner Greene, if he'd like me  
19 to read that into the record.

20 **COMMISSIONER GREENE:** I'll first motion to take the item up under Rule 57.

21 **COMMISSIONER FRANCIS:** Second.

22 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
23 Commissioner Francis.

1 **COMMISSIONER GREENE:** And I motion to accept the interim rate, but can  
2 you please read the appropriate language?

3 **MS. BOWMAN:** In order to allow the cooperative to service its debt obligations  
4 pending the final outcome in its emergency rate case, I move that we approve  
5 SLECA's request for interim rates allowing the 6.92 mills increase in the  
6 company's rates effective July 1, 2022, until such time that the Commission renders  
7 a full decision on the merits, subject to Staff's recommendations for bonding  
8 requirement, which is estimated to be in the amount of \$2,504,877. Further,  
9 SLECA shall notify customers of the impending rate change through a bill insert  
10 within 15 days of this Commission vote.

11 **CHAIRMAN BOISSIERE:** All right. Do we have a second? I got a motion by  
12 Commissioner Greene.

13 **COMMISSIONER SKRMETTA:** I have a substitute motion, pending a  
14 discussion real quick. So I have a question for the company and for the Staff.

15 **CHAIRMAN BOISSIERE:** Okay.

16 **COMMISSIONER SKRMETTA:** So I need to ask the company -- I need the  
17 representative of SLECA to come up and just a quick question.

18 **CHAIRMAN BOISSIERE:** Okay. Sure, come on up.

19 **COMMISSIONER SKRMETTA:** If you'll just say your name for the record.

20 **MR. JOE TICHELI:** Joe Ticheli, manager of South Louisiana Electric Co-op.

21 **SECRETARY FREY:** Joe, make sure your mic's on. I don't think it's on.

22 **COMMISSIONER SKRMETTA:** Okay. All right. I basically understand that  
23 your subsidiary, TESI, is within a few days of being sold; is that correct?

1 **MR. TICHELI:** It's very soon, yes.

2 **COMMISSIONER SKRMETTA:** Okay. And I'm also told that the amount that  
3 the subsidiary is being sold for is \$23 million, more or less.

4 **MR. TICHELI:** Correct.

5 **COMMISSIONER SKRMETTA:** Okay. So what I'm going to offer in this is to  
6 accept -- to restate Commissioner Greene's motion in its entirety, with the caveat  
7 that upon receipt of the \$23 million that TESI receives for this, whenever that is, it  
8 could be two or three quarters away, that that money is transferred to SLECA and  
9 that SLECA apply that to this interest payment and to offset it, to where there is no  
10 longer a charge to your ratepayers.

11 **MR. TICHELI:** Yeah, we have no problem with that, Commissioner. Just one  
12 caveat to that. We always intended to do exactly what you say --

13 **COMMISSIONER SKRMETTA:** Well, the only reason I say that is when I've  
14 talked to Staff and the auditor, that they never heard about it. So that's why I'm  
15 bringing it up now, because it wasn't actually a statement as to what was going to  
16 happen.

17 **MR. TICHELI:** Right. Any proceeds that SLECA should receive from the sale  
18 of TESI, after any stipulated penalties are paid --

19 **COMMISSIONER SKRMETTA:** Yeah.

20 **MR. TICHELI:** -- and then after any closing costs and taxes, whatever we get  
21 after that, we would do that.

22 **COMMISSIONER SKRMETTA:** You pay taxes?

1 **MR. TICHELI:** There would be some type of sales tax that the TESI would have  
2 to cover.

3 **COMMISSIONER SKRMETTA:** Oh, because I thought y'all were a non-profit.

4 **MR. TICHELI:** Not of TESI.

5 **COMMISSIONER SKRMETTA:** Oh, well I thought TESI's non-profit, isn't it?

6 **MR. TICHELI:** They are for -- no, TESI's for profit.

7 **COMMISSIONER SKRMETTA:** Oh, they're for profit?

8 **MR. TICHELI:** Yes, sir.

9 **COMMISSIONER SKRMETTA:** Okay. So, but there'll be some remainder and  
10 that can be applied to the interest payments that y'all are doing, waiting for the  
11 FEMA money, right?

12 **MR. TICHELI:** Yes, sir.

13 **COMMISSIONER SKRMETTA:** Okay. So that -- I'll restate Commissioner  
14 Greene's motion with just the caveat whenever the revenue comes in, that that's  
15 applied to the interest payments to offset.

16 **SECRETARY FREY:** And Commissioner Greene, if you're okay with that, that  
17 could just be your restated motion.

18 **COMMISSIONER GREENE:** You're okay with that?

19 **MR. TICHELI:** Yeah, we're find with that, Commissioner.

20 **COMMISSIONER GREENE:** Yes.

21 **COMMISSIONER SKRMETTA:** Okay. Great. Thank you.

22 **SECRETARY FREY:** Okay. We'll do it that way, then.

23 **COMMISSIONER GREENE:** Can that also be a second?

1 **COMMISSIONER SKRMETTA:** Yeah, that's a second, if anybody  
2 [INAUDIBLE].  
3 **SECRETARY FREY:** Got it.  
4 **CHAIRMAN BOISSIERE:** Wait a minute. Well, who's the moved --  
5 **COMMISSIONER GREENE:** I made a motion and Eric --  
6 **SECRETARY FREY:** He made a motion that Commissioner Skrmetta tweaked  
7 a little bit, he accepted those, so his motion is still on the floor as amended.  
8 **CHAIRMAN BOISSIERE:** So it's still his motion?  
9 **SECRETARY FREY:** Still Commissioner Greene's motion.  
10 **COMMISSIONER SKRMETTA:** Still Commissioner Greene's motion.  
11 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene --  
12 **SECRETARY FREY:** Second by Commissioner Skrmetta.  
13 **CHAIRMAN BOISSIERE:** Second by Commissioner Skrmetta. Everybody got  
14 that? Any oppositions? [NONE HEARD] All right. So ordered. Let's move on.  
15 **MR. TICHELI:** Thank you.  
16 **COMMISSIONER SKRMETTA:** Thank you.  
17 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-36350. It's Entergy  
18 Louisiana's application for recovery of rates of costs related to Hurricane Ida and  
19 for related relief. It's a discussion and possible vote to retain outside counsel. Staff  
20 issued an RFP seeking the assistance of outside counsel and two qualifying bids  
21 were received. It is Patrick Miller and Associates for 178,000 in fees and 4,950 in  
22 expenses for a total budget not to exceed of \$182,950. And Stone Pigman for the

1 amount of 249,000 in fees and 8,000 in expenses for a total budget not to exceed of  
2 257,000. And Staff makes no recommendation as both bidders are qualified.

3 **COMMISSIONER SKRMETTA:** Move to accept the low bid of Patrick Miller.

4 **COMMISSIONER CAMPBELL:** I second.

5 **CHAIRMAN BOISSIERE:** All right. I have a substitute. Move for Stone  
6 Pigman. Okay. All right. No second. So back to the original. Any -- did anybody  
7 -- oh, moved by Commissioner Skrmetta, second by Commissioner Campbell. Any  
8 opposition? [NONE HEARD] Congratulations. Next.

9 **MS. BOWMAN:** Next is Exhibit Number 7. It's the same Docket U-36350. It's  
10 Entergy's application for recovery in rates of costs related to Hurricane Ida and for  
11 related relief. And this is a discussion and possible vote to retain an outside  
12 consultant. Staff issued an RFP seeking an outside consultant to assist in this matter  
13 for the accounting purposes, and four bids were received, but one was non-  
14 conforming. Therefore, the three qualifying bids were: Henderson Ridge  
15 Consulting, of 173,600 in fees and 3,600 in expenses for a total budget not to exceed  
16 of \$177,200; Critical Technologies Consulting of \$280,050 in fees and 18,000 in  
17 expenses for a total budget not to exceed of \$298,050; and NorthStar Consulting  
18 Group of \$559,090 in fees and zero in expenses for a total budget not to exceed of  
19 \$559,090. And Staff makes no recommendation as all three bidders are qualified.

20 **COMMISSIONER FRANCIS:** Motion to accept the low bid of Henderson  
21 Ridge.

22 **COMMISSIONER SKRMETTA:** Second.

1 **CHAIRMAN BOISSIERE:** Moved by Commissioner Francis and we had  
2 seconds by both Campbell and Skrmetta. Any opposition? [NONE HEARD]  
3 Hearing none, so ordered. Next, please.

4 **MS. BOWMAN:** We are skipping Exhibits Number 8 and 9, as they both have  
5 potential executive sessions underneath them, and moving back to Exhibit Number  
6 10.

7 **COMMISSIONER SKRMETTA:** Nine's an executive session even though it's  
8 a --

9 **MS. BOWMAN:** Well, it's a potential.

10 **COMMISSIONER SKRMETTA:** But go through executive session first? Got  
11 it. Okay.

12 **MS. BOWMAN:** Yes. If you guys wanted -- I put a possible executive session in  
13 case you guys wanted an update on the actual case itself and the strategy behind  
14 that. However, if you guys do not need that update, we can just vote on Exhibit 9  
15 budget increase now.

16 **COMMISSIONER GREENE:** I don't.

17 **COMMISSIONER SKRMETTA:** I don't.

18 **MS. BOWMAN:** Okay. That works. We'll go to Exhibit Number 9, which is  
19 FERC Docket Number EL20-72. It's the Louisiana Public Service Commission, et  
20 al versus System Energy Resources, Inc. It's a discussion and possible vote on a  
21 budget increase for Stone Pigman and United Professionals Company. Stone  
22 Pigman has provided an updated budget estimate for 2022 seeking the  
23 Commission's approval of an additional \$541,020 in fees and \$40,000 in expenses,

1 for a total budget not to exceed of \$581,020. UPC has provided an updated budget  
2 estimate of 495,000 in fees. This requested increase is necessary to prepare rebuttal  
3 testimony, trial preparation, conducting a three-week (possibly longer) hearing, and  
4 post-hearing briefing, as well as additional discovery, including depositions. Staff  
5 recommends that the Commission approve the budget increase for Stone Pigman in  
6 the amount of 541,020 in fees and 40,000 in expenses for an additional total budget  
7 not to exceed of \$581,020 and for UPC in the amount of 495,000 in fees and no  
8 expenses for an additional total budget not to exceed of \$495,000.

9 **COMMISSIONER SKRMETTA:** Move to accept --

10 **CHAIRMAN BOISSIERE:** Wait, before we do that, let me give the opportunity  
11 for my Commissioners to understand that we are giving a -- make sure I'm saying  
12 it correctly, this is an increase for Stone Pigman and United Professionals. We have  
13 the opportunity to go into executive session to discuss.

14 **MS. BOWMAN:** Yes. If you want an update on the actual litigation strategy of  
15 the docket itself.

16 **CHAIRMAN BOISSIERE:** Okay.

17 **COMMISSIONER SKRMETTA:** This is the SERI litigation.

18 **MS. BOWMAN:** Correct.

19 **CHAIRMAN BOISSIERE:** I understand. Now, we don't have to go into  
20 executive session; is that right?

21 **MS. BOWMAN:** Correct.

22 **CHAIRMAN BOISSIERE:** Good. So, Commissioners, we don't have to go in,  
23 but for the sake of maybe due diligence and prudence, I'm going to move that we

1 go to executive session. If no one wants to, don't second it, don't vote, but I'm  
2 moving that we go into executive session to hear about the case.

3 **COMMISSIONER SKRMETTA:** Yeah, I'll second it so we can go do it, but we  
4 can still do the expenditure.

5 **CHAIRMAN BOISSIERE:** Right. Okay. All right. So we'll go into executive  
6 session.

7 **SECRETARY FREY:** You want to do that at the end, though? Finish out the  
8 regular agenda first?

9 **CHAIRMAN BOISSIERE:** Right, I understand.

10 **SECRETARY FREY:** Yeah.

11 **MS. BOWMAN:** Okay.

12 **CHAIRMAN BOISSIERE:** But I just want to be clear that it's prudent to --

13 **SECRETARY FREY:** Okay.

14 **CHAIRMAN BOISSIERE:** Okay. Thank you.

15 **COMMISSIONER SKRMETTA:** We're still going to -- I think there's a  
16 consensus that we're going to move forward on it, but we still want to get an update.

17 **SECRETARY FREY:** Got you.

18 **CHAIRMAN BOISSIERE:** Exactly. I just wanted to make sure I was clear what  
19 we were doing here. So now we -- let's begin the motion on the --

20 **COMMISSIONER SKRMETTA:** [INAUDIBLE] joyous two hours, I'm pretty  
21 sure we're going to keep moving on it.

22 **CHAIRMAN BOISSIERE:** Yeah, but I had to say it now. Okay. So do we have  
23 a motion for this one?

1 **MS. BOWMAN:** Well, you need a motion to approve the budget increases, which  
2 is moved by Commissioner Skrmetta.

3 **CHAIRMAN BOISSIERE:** Okay. Do we have a second?

4 **COMMISSIONER GREENE:** Second.

5 **CHAIRMAN BOISSIERE:** Second by Commissioner Greene. Any opposition?  
6 [NONE HEARD] All right. So ordered. Next. Let's go to Number 10.

7 **MS. BOWMAN:** So Exhibit Number 10 is reports, resolutions, discussions, and  
8 votes. We have already handled the update from the eligible telecommunication  
9 carriers under reports. There is a report from Staff regarding late fees charged by  
10 jurisdictional utilities pursuant to Commission General Order dated November 16,  
11 1972. I did send to all the Commissioners, a memo that our Utilities Division put  
12 together really last week that indicated they looked at all of the jurisdictional  
13 utilities in various categories. Everyone is complying with our 5 percent. Most are  
14 charging the 5 percent, some are charging none. The only difference there is the  
15 three IOUs actually have a tiered or staggered of the 5 percent, so it's not all 5  
16 percent, it's up to a maximum amount, and that's 5 percent, and then after that, it's  
17 a lower amount. So Utilities Division is here to answer any questions. The average  
18 -- let me pull up the average real quick for you guys, if I can find it. The average  
19 late -- the 5 percent late fee on average bills ranges either \$1.36 for sewer customers  
20 to \$11 for telecom, and obviously, that ranges, and that's just based on the average  
21 bills, which is based on average consumption. Do we have any questions? If we  
22 don't, we can move on to the second part of Exhibit 10.

23 **CHAIRMAN BOISSIERE:** Anyone? All right. Let's move on.

1 **MS. BOWMAN:** All right. So also under Exhibit 10, there is a discussion and  
2 possible vote to ratify the LPSC interventions in RTO or ERSC related FERC  
3 proceedings. This matter is on the agenda for ratification pursuant to the scope of  
4 work approved in connection with the retention of Stone Pigman and UPC at the  
5 February 2021 B&E. Due to the short deadlines allowed for these interventions, if  
6 advanced Commission approval is not possible, the Executive Secretary, on the  
7 recommendation of UPC or Stone Pigamn or on his own determination, may  
8 authorize the initial interventions [INAUDIBLE] protest subject to ratification at a  
9 following B&E. Interventions were filed on the Commission's behalf in the  
10 following FERC dockets: ER22-1640 and AD21-10. Both were filed on April 27,  
11 2021 and Staff recommends that the Commission ratify these interventions.

12 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

13 **COMMISSIONER CAMPBELL:** Second.

14 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
15 Commissioner Campbell to ratify. Any opposition? [NONE HEARD] Hearing  
16 none, so ordered.

17 **MS. BOWMAN:** Also under Exhibit Number 10, there's a discussion and possible  
18 vote to ratify votes taken by Vice Chairman Francis acting as the Commission's  
19 representative on the Regional State Committee of the Southwest Power Pool. Staff  
20 followed the protocols set forth in Special Order 17-2019 to consult with the  
21 Executive Secretary and the Chairman and to make a recommendation to Vice  
22 Chair Francis prior to the votes taken on April 25, 2022. The protocols also require  
23 that the votes be taken -- be ratified at a following B&E. There were two voting

1 items before the RSC. The first vote involved a motion to affirm the SPP's current  
2 construct for congestion hedging while urging SPP to continue to study possible  
3 solutions to better manage congestion on the system. The second vote involved a  
4 proposed amendment to the RSC bylaws to clarify that RSC membership is open  
5 only to states in which SPP provides RTO services. Based upon Staff's  
6 recommendation, Vice Chairman Francis voted in favor of both motions. The Staff  
7 recommends that the Commission ratify Vice Chairman Francis' votes taken on  
8 April 25, 2022 as the Commission's representative to the SPP RSC.

9 **COMMISSIONER FRANCIS:** I can't vote.

10 **CHAIRMAN BOISSIERE:** Does -- Commissioner Francis has to --

11 **MS. BOWMAN:** He has to abstain.

12 **CHAIRMAN BOISSIERE:** Right.

13 **COMMISSIONER FRANCIS:** I abstain.

14 **CHAIRMAN BOISSIERE:** So do I have a motion, gentlemen?

15 **COMMISSIONER CAMPBELL:** I'll make it.

16 **CHAIRMAN BOISSIERE:** Commissioner Campbell makes a motion.

17 **COMMISSIONER GREENE:** Second.

18 **CHAIRMAN BOISSIERE:** Second by Commissioner Greene. Opposition?

19 [NONE HEARD] None. So ratified and approved.

20 **COMMISSIONER FRANCIS:** Thank you.

21 **MS. BOWMAN:** Moving to Exhibit Number 11. It's Docket Number S-36302.  
22 It's Southwest Louisiana Electric Membership Corporation's request for a letter of  
23 non-opposition to borrow funds and related mortgage. It's a discussion and

1 possible vote on Staff report and recommendation, and this is at the request of  
2 Commissioner Greene. On March 3, 2022, SLEMCO filed a request for the  
3 Commission's authorization to enter into a financial agreement with Federal  
4 Financing Bank borrowing funds in the amount of \$79,343,000. These funds would  
5 enable SLEMCO to finance the capital expenditures necessary to construct  
6 improvements described in the SLEMCO Engineering Construction Work Plan.  
7 With these funds, SLEMCO plans to distribute 377.3 miles of new line extensions,  
8 and add services, transformers, meters, and other equipment needed. These  
9 improvements should provide needed capacity and lessen outages and lower line  
10 losses. Staff filed its report and recommendation on May 20, 2022 recommending  
11 that the Commission express its non-opposition, subject to conditions. Therefore,  
12 Staff recommends that the Commission express its non-opposition to SLEMCO's  
13 request, subject to conditions contained in Staff's report and recommendation filed  
14 May 20, 2022.

15 **CHAIRMAN BOISSIERE:** All right. So we need a -- yeah. So I need a motion.

16 **MS. BOWMAN:** We need a motion.

17 **CHAIRMAN BOISSIERE:** Commissioner Greene.

18 **COMMISSIONER GREENE:** I motion to accept.

19 **COMMISSIONER SKRMETTA:** Second.

20 **CHAIRMAN BOISSIERE:** Moved by Commissioner Greene, second by  
21 Commissioner Skrmetta. Any opposition? [NONE HEARD] None. Let's move  
22 on.

1 **MS. BOWMAN:** Exhibit Number 12 is Docket Number U-36165. It's  
2 Southwestern Electric Power Company's application for the certification of the  
3 Kingston Area Reliability Project in accordance with the Commission's General  
4 Order dated October 10, 2013. It's a discussion and possible vote on an uncontested  
5 stipulated settlement, and this is at the request of Commissioner Campbell.  
6 SWEPCO filed an application on October 5, 2021 in accordance with the  
7 Commission's General Order of October 10, 2013 for certification that the public  
8 convenience and necessity will be served through the authorization for siting and  
9 construction of the Kingston Area Reliability Transmission Project and related  
10 transmission facilities. The Kingston Project includes construction of a new 138  
11 kilovolt double-circuit transmission loop as well as upgrades at SWEPCO's  
12 existing Kingston substation to accept the new connection. The new transmission  
13 loop will replace service to the Kingston substation, which is currently supplied by  
14 an existing 69 kilovolt radial line from SWEPCO's Gravel Point substation. The  
15 total estimated cost of the project is \$22.3 million, and the project has an estimated  
16 in-service date in the fourth quarter of 2023. The Kingston Project is needed to  
17 enhance reliability for customers in DeSoto Parish, as those customers are currently  
18 served by a radial feed out of the Gravel Point substation. As a result of this radial  
19 configuration, customers in this area have seen increases in outage delays and  
20 voltage drops. SWEPCO evaluated other options to improve reliability in the area,  
21 including the construction of a new substation and determined that the Kingston  
22 Project was the lowest reasonable cost option to enhance reliability for its  
23 customers. SWEPCO's application was published in the Commission's Official

1 Bulletin, with no interventions being received, and on April 25, 2022, Staff issued  
2 their report which included Staff recommendation that the Commission find that  
3 the Kingston Project is in the public interest since it is needed for reliability  
4 purposes and is a cost-effective solution to the current and future reliability needs.  
5 SWEPCO agreed with Staff's recommendation, Staff's report, and SWEPCO and  
6 Staff entered into a proposed uncontested stipulated settlement which was filed into  
7 the record on May 18, 2022. The major provisions of the stipulation are  
8 summarized as follows: SWEPCO shall be allowed to seek recovery of the  
9 prudently-incurred costs associated with the Kingston Project in its normal FRP  
10 recovery mechanisms; and SWEPCO has an ongoing obligation to prudently  
11 manage the Kingston Project, including ongoing construction and costs. Any  
12 finding that the Kingston Project is in the public interest is not a determination or a  
13 presumption of prudence of the cost estimates or the final costs of the project. As  
14 there are no unresolved issues, Staff recommends that the Commission approve the  
15 uncontested stipulated settlement as filed into the record on May 18, 2022.

16 **CHAIRMAN BOISSIERE:** Commissioner Campbell.

17 **COMMISSIONER CAMPBELL:** I want to make a motion that we follow Staff  
18 recommendation and approve uncontested stipulated settlement. I got another  
19 question, though.

20 **CHAIRMAN BOISSIERE:** Okay. Let's hear your first one. Can you use your  
21 microphone?

22 **COMMISSIONER CAMPBELL:** I make a motion to approve the uncontested  
23 stipulated settlement.

1 **COMMISSIONER GREENE:** I'll second.

2 **CHAIRMAN BOISSIERE:** Moved by Commissioner Campbell, second by  
3 Commissioner Greene.

4 **COMMISSIONER CAMPBELL:** Mr. Frey, what about the full blown rate case  
5 that we've been talking about with SWEPCO? Where are we at on that?

6 **SECRETARY FREY:** I'll have to check and see on the timing of that. I know  
7 that's --

8 **MS. BOWMAN:** It's still ongoing right now. Staff, SWEPCO, and all the  
9 intervenors are in settlement discussions and trying to resolve it.

10 **COMMISSIONER CAMPBELL:** I've been here 20 years, thereabout, and we  
11 haven't had one in 20 years.

12 **MS. BOWMAN:** Commissioner, can you use your mic, please.

13 **COMMISSIONER CAMPBELL:** We haven't had one in 20 years. It's about  
14 time. I don't want to wait until I leave here, so.

15 **MS. BOWMAN:** My appreciation is they are close. They had a procedural  
16 schedule in place. All the testimony has been filed, so all the positions are known.  
17 I think they're just trying to come to see if they can come to a resolution.

18 **COMMISSIONER CAMPBELL:** Well, you think you can do that before  
19 Christmas?

20 **MS. BOWMAN:** We can ask them to.

21 **COMMISSIONER CAMPBELL:** That'd be a nice Christmas present, I need to  
22 hear from them, because I don't ever hear about them. And then you know it'll be  
23 slipped by and we got to do this and we got to do that, I'm ready. I want to hear

1 about the whole -- not just the partial -- what do y'all call those partial ones, when  
2 it's a little [INAUDIBLE]. What do you call that, Frey?

3 **SECRETARY FREY:** I missed that, Commissioner, what was that?

4 **COMMISSIONER CAMPBELL:** When you don't do a full blown rate case.

5 **SECRETARY FREY:** A formula rate plan.

6 **COMMISSIONER CAMPBELL:** Yeah, you just brush off the dust and say go  
7 ahead.

8 **SECRETARY FREY:** This is a full blown rate case, though.

9 **COMMISSIONER FRANCIS:** That's what I want.

10 **MS. BOWMAN:** Yes, yes.

11 **COMMISSIONER FRANCIS:** Now, will we know the -- all the executive  
12 salaries and airplane business and all that when we get through with this?

13 **MS. BOWMAN:** My appreciation is there has been discovery asking that  
14 information.

15 **COMMISSIONER CAMPBELL:** That's good. So I want to hear it.

16 **COMMISSIONER FRANCIS:** The people we have hired to do the discovery, if  
17 they're not getting the answers --

18 **MS. BOWMAN:** I think they can let myself know and we can work on that and I  
19 will relay that information to the Commissioners.

20 **COMMISSIONER FRANCIS:** Attorney Commissioner Campbell,  
21 [INAUDIBLE] you'll get it done. Okay.

22 **MS. BOWMAN:** Yes.

1 **COMMISSIONER FRANCIS:** We need that same information from all these  
2 folks to see what kind of airplane they're flying around in. Okay.

3 **CHAIRMAN BOISSIERE:** All right. So we have a motion and --

4 **COMMISSIONER CAMPBELL:** Wait. Let me answer that question. When  
5 Nick Akins came to Shreveport, he didn't come in one jet, he came in two jets. I'm  
6 not lying. They've got a policy. He's the CEO. They won't let him and the next  
7 CEO fly together, so when he comes to Shreveport, I'm not talking about little jets,  
8 I'm talking about big jets that'll haul 10 people. So they got two big jets parked  
9 out there. I said what y'all got two for? Because they won't let him fly by himself,  
10 that's the truth.

11 **COMMISSIONER FRANCIS:** So we're going to give equal treatment to  
12 SWEPCO like we did Entergy, right?

13 **COMMISSIONER CAMPBELL:** Absolutely. Okay.

14 **COMMISSIONER FRANCIS:** All right. And then we'll work on the -- work  
15 our way down with the co-ops next. Okay. All right. We're not going to leave out  
16 Cleco.

17 **CHAIRMAN BOISSIERE:** No.

18 **COMMISSIONER CAMPBELL:** Cleco and Atmos and --

19 **SECRETARY FREY:** Atmos.

20 **MS. BOWMAN:** And CenterPoint.

21 **COMMISSIONER CAMPBELL:** CenterPoint, yeah.

22 **CHAIRMAN BOISSIERE:** Yep. I see them shaking their heads right now. Yep,  
23 yep, yep. All right. Well, I think we have a motion and a second.

1 **MS. BOWMAN:** We do.

2 **CHAIRMAN BOISSIERE:** Let's see if we get any opposition to this. [NONE  
3 HEARD] None. So ordered. Now we have a directive, Commissioner Skrmetta.

4 **MS. BOWMAN:** Yes.

5 **SECRETARY FREY:** And it's very -- it's exactly like it says.

6 **COMMISSIONER SKRMETTA:** Yeah.

7 **CHAIRMAN BOISSIERE:** Can we hear it?

8 **MS. BOWMAN:** Yes. So --

9 **COMMISSIONER SKRMETTA:** Yeah. Go ahead. Why don't you read the  
10 directive and I'll just kind of add in on the [INAUDIBLE].

11 **MS. BOWMAN:** Exhibit Number 13 is a directive to Staff to study the potential  
12 costs and feasibility of small/compact nuclear generation facilities in Louisiana,  
13 and this is at the request of Commissioner Skrmetta.

14 **COMMISSIONER SKRMETTA:** Yeah, I think it's important that we look at  
15 the potential and costs associated with small modular reactors, that they've been  
16 improved. The first one's being built right now in Cheyenne, Wyoming. The nice  
17 thing about these, they're referred to as SMRs, is they don't have to be built on  
18 rivers, so they have the potential to be put away from waterways and, you know,  
19 when we're looking at sort of diversity in our fuel mix, the one thing that's been  
20 consistent in our fleet has been nuclear, and the nice thing that we've learned is that  
21 they're not 30 and 40 year devices, they're 80 and 100 year devices. And I was  
22 joking with my Staff the other day that one day they're going to say, well, you  
23 know, the people of our current time are going to say, well, this is \$4 billion for a

1 500 megawatt device and so that, you know, it's going to be a real problem if we  
2 want to build one but they're expensive. But in 100 years, somebody's going to  
3 say you only had to pay \$4 billion to build a 500 megawatt device? Why didn't  
4 you build six of them? So we have to look at the long-term associative value of  
5 these things. But what I was going to say is, if you can do it in-house, I would say  
6 could you get it done in maybe six months?

7 **SECRETARY FREY:** I think so.

8 **COMMISSIONER SKRMETTA:** But if you have to go outside, could you do it  
9 in maybe nine?

10 **SECRETARY FREY:** We'll get back to you on that, and I know we've done  
11 some of the research, and this is an issue, just real quick. Commissioner Skrmetta  
12 and I were talking about this, we had a function at LSU probably 12 years ago --

13 **COMMISSIONER SKRMETTA:** Yes.

14 **SECRETARY FREY:** -- where someone came and talked about this technology  
15 and he says we think it's going to work and be great, the problem is it's about a 10  
16 year permitting process.

17 **COMMISSIONER SKRMETTA:** And it's been exactly 10 years.

18 **SECRETARY FREY:** And it was 10 years, so that first one is actually in  
19 construction out in Wyoming using this new technology, so it's very interesting.

20 **COMMISSIONER SKRMETTA:** It, you know, and I think that, you know, like  
21 I said, if we can just get real information about it, because from what the -- from  
22 what I've learned, and I'm going to the nuclear research labs in Idaho Falls in about  
23 two weeks, but what we're looking at about it is, the potential for Louisiana is really

1 at Dolet Hills. I don't know who would do it or how they'd do it, but that  
2 interconnect and the way they have to bury part of the device and the depth and all  
3 these things, that could be a real value to the ratepayers that'll stay. I don't know  
4 if it really happens because of the Cleco and the SWEPCO and the issues, but it's  
5 something for us to consider for the long-term value for the citizens. So, anyway,  
6 that's the directive.

7 **SECRETARY FREY:** And we'll -- like I said, we can do that, I think, in-house,  
8 the research, and we'll get with the Wyoming Commission and get information  
9 that's available from them as well.

10 **COMMISSIONER SKRMETTA:** Watch out, that's Bill Gates.

11 **CHAIRMAN BOISSIERE:** All right. Thank you. I want to actually, I'm remiss,  
12 I want to go back to Number 1 for announcements, I did have one announcement  
13 that slid by.

14 **SECRETARY FREY:** Sure.

15 **MS. BOWMAN:** Can we just confirm that there was no opposition to  
16 Commissioner Skrmetta's directive. And hearing none --

17 **CHAIRMAN BOISSIERE:** No opposition? [NONE HEARD] No. No vote, no  
18 nothing. Of course. All right. Great. All right. Go back. You want to read us  
19 back to announcements or I can just --

20 **SECRETARY FREY:** Yeah, you can just make the announcement.

21 **CHAIRMAN BOISSIERE:** All right. Here we go. I just want to make an  
22 announcement that, of course this meeting started off in a very unusual manner by  
23 having the CEO of Entergy here and we jumped right into it and the first item was

1 an announcement and it kind of slid by me, but I didn't want the meeting to go by  
2 without making this announcement that the hurricane bonds, the storm cost  
3 allocation bonds were sold on the, I think the 19<sup>th</sup>, and those were for Hurricanes  
4 Laura, Delta, Zeta, Uri, and some parts or some part of Ida, including the reserve,  
5 that the total amount was about 3 billion, almost 3.2 billion, the largest bond  
6 transaction in Louisiana history. The rates were a little higher than we had  
7 originally thought they'd be, because as we know, rates are going up but still not  
8 bad. The weighted interest rate is at 4.28 percent, which is half of the cost of utility  
9 financing. The weighted average cost of capital is 8.49. The bonds are AAA --  
10 rated at AAA, the reserves funded at AAA rate, too, so they even fund the reserves  
11 that we hold at that rate. The ratepayers' savings and impacts. Savings to ELL  
12 customers, 4.28 percent, AAA for 15 years versus 8.49 percent WACC rate for 30  
13 years. Nominal dollars savings, 2 billion -- roughly \$2 billion. Present value  
14 saving, \$659 million, almost \$660 million. The impact to ratepayers would be close  
15 to about \$11 a month. I think they start in June, if I'm not mistaken, but at the same  
16 token, by August, the Gustav and Ike's bills will come off -- rates will come off of  
17 the bills, giving some relief to that. We're replacing one hurricane with another,  
18 basically. And overall, there's some other possible contingency savings and taxes  
19 and other benefits that have not been included in the savings impact, but they could  
20 be anywhere between 200 to 400 million of additional savings that are not currently  
21 reflected in any of those savings. Now, that's not all of the storm damage, there's  
22 some still to come. We talked about that. But overall, the bonds have been sold,  
23 and Louisiana is well on its way to recover from those. It's a hit, but it's not as

1 hard as it could have been or should have been. Securitization is still a good method  
2 to move forward with and, that said, as we enter a new hurricane season, I hope we  
3 can -- we have a good hurricane season and not incur any new expenses. With that,  
4 overall, Louisiana is better off because the securitization of the bonds are finally  
5 sold and we have one more package to go to secure everything. I just wanted to  
6 make that announcement because that happened since the last B&E and it's too  
7 important to what we do here.

8 **SECRETARY FREY:** Agreed, and it was -- thanks to all our team that worked  
9 on it. This is the first -- I mean, I've been involved in these before, but first one as  
10 Secretary, and I told Jamie, who's the counsel for LURC that I'm not going to sign  
11 anything else, although I did sign something yesterday. The amount of paperwork  
12 that I had to sign was insane, but it being with the JP Morgan folks who were our  
13 lead bond underwriter, not only was this the largest in Louisiana, it's their largest.  
14 Their third largest total, but their largest public financing that JP Morgan has  
15 handled, so this was a massive deal. A lot of work went into it and as you said, the  
16 rates were higher than we had hoped, but given the volatility leading up, there was  
17 real concern these were going to approach five or maybe exceed and they came in  
18 four and a quarter, essentially, so.

19 **COMMISSIONER CAMPBELL:** These bonds sell at a premium or are they  
20 selling at book value; do you know?

21 **SECRETARY FREY:** I think they sell at book value. Yeah, it's at the rates --  
22 right, it's a flat rate over tranches. There's multiple tranches on that --

23 **CHAIRMAN BOISSIERE:** You know, I don't --

1 **COMMISSIONER CAMPBELL:** I hear what you're saying. I'm asking, the  
2 bonds, do they sell at a premium? I bet you they did. They didn't sell 5,000, you  
3 didn't buy them for 5,000. You paid a premium because they're paying four and a  
4 quarter percent interest. Is that -- does anybody know that?

5 **CHAIRMAN BOISSIERE:** Hold on, let's see. Is there anybody here qualified  
6 or willing to answer the questions for Commissioner Campbell? I think some of  
7 the people that were here earlier may have -- okay.

8 **SECRETARY FREY:** I think Jamie with LURC counsel.

9 **CHAIRMAN BOISSIERE:** All right. Jamie from LURC, I'll let them introduce  
10 themselves.

11 **MR. LARRY HAND:** Commissioner, Larry Hand on behalf of Entergy Louisiana.  
12 Your question is whether or not we did any original issue discount or premium  
13 issuances. The answer is no. We had the ability to do so under the order you issued,  
14 but the bonds were issued at face value. So in your example, a \$5,000 bond was  
15 priced at \$5,000.

16 **COMMISSIONER CAMPBELL:** I bet they sold overnight.

17 **MR. HAND:** We did a marketing process over, you know, a period and we had a  
18 pretty good subscription. I can't remember the total level of interest in the bonds,  
19 but we had more than enough interest from the market. And the rates are tied to  
20 treasuries, whether it's a 2 year yield, a 5 year, a 7, a 10, and so forth, and theirs is  
21 spread, so, but we were pretty pleased with where it priced out relative to the  
22 volatility of the market and what we're seeing.

1 **MS. WATTS:** And Larry's correct. Jamie Watts on behalf of the LURC, and this  
2 transaction came right on the heels of a very large PG&E transaction, and before  
3 an Oklahoma transaction that's expected to price and close in the coming weeks,  
4 so the timing was very important and very fortuitous.

5 **CHAIRMAN BOISSIERE:** So overall, good news. Any other questions,  
6 gentlemen?

7 **COMMISSIONER SKRMETTA:** No. Move to go into executive session.

8 **CHAIRMAN BOISSIERE:** Okay. Well, hold on.

9 **SECRETARY FREY:** Let's let Kathryn read the two in res.

10 **MS. BOWMAN:** Yeah, wait. I need to read the in re's before we go into session.

11 **CHAIRMAN BOISSIERE:** Okay. Go ahead. Well, I want to thank them for  
12 coming and let you know overall, its good news. Let's move to the discussion of  
13 the executive session.

14 **MS. BOWMAN:** If everybody could just please wait until I read this into the  
15 record so the court reporters can get it on the transcript and please stop speaking.

16 **CHAIRMAN BOISSIERE:** Larry, Jamie.

17 **MS. BOWMAN:** Thank you. So Exhibit Number 8 is FERC Docket Number  
18 PL21-3. It's the Federal Energy Regulatory Commission's consideration of  
19 greenhouse gas emissions and natural gas infrastructure project reviews. It's a  
20 possible executive session to discuss litigation strategy pursuant to Louisiana  
21 Revised Statute 42:16 et sec. And then Exhibit Number 9 is FERC Docket Number  
22 EL20-72. It's Louisiana Public Service Commission, et al. versus System Energy  
23 Resources. It's a possible executive session to discuss litigation strategy pursuant

1 to Louisiana Revised Statute 42:16 et sec. And Commissioner Boissiere, you had  
2 made a motion earlier and seconded by Commissioner Skrmetta to go into  
3 executive session.

4 **COMMISSIONER SKRMETTA:** Move to go into executive session.

5 **CHAIRMAN BOISSIERE:** Moved by Commissioner Skrmetta. Seconded by  
6 Commissioner Francis.

7 **[OFF THE RECORD]**

8 **[BACK ON THE RECORD]**

9 **CHAIRMAN BOISSIERE:** Chair moves to come out of executive session.

10 **COMMISSIONER SKRMETTA:** Second.

11 **CHAIRMAN BOISSIERE:** Second by Commissioner Skrmetta. No opposition.

12 **COMMISSIONER SKRMETTA:** Move to adjourn.

13 **CHAIRMAN BOISSIERE:** Moved to adjourn by Commissioner Skrmetta.  
14 Second by Commissioner Francis.

15

16 **(WHEREUPON THE MEETING WAS ADJOURNED)**

17

1 I certify that the forgoing pages 1 through 122 are true and correct to the best  
2 of my knowledge of the Open Session of the Business and Executive Meeting  
3 held on May 25, 2022 in Baton Rouge, Louisiana.

4 \*\*\*\*\*

5 **Rough Draft prepared by:**

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